Canada Economic Development

Ministère du Développement économique et régional

Evaluation of ORPEX funding programs

by the Consultant on behalf of Canada Economic Development and the *Ministère du Développement économique et régional*

Final report

October 2003

TABLE OF CONTENTS

page

EXECUTIVE SUMMARY i

1 INTRODUCTION 1

2 ASSESSMENT PROCESS 4

2.1 Themes 4

2.2 Timetable 4

2.3 Follow-up Committee 5

2.4 Deliverables 5

3 METHODOLOGICAL APPROACH 6

3.1 Literature review and database 6

3.2 Individual interviews 7

3.3 Survey of clients 8

4 PROGRAM DESCRIPTION 14

4.1 ORPEX Role 14

4.2 CED 15

4.3 MDER 16

4.4 Program management 17

5 REPORT ON ACTVITIES AND RESOURCES (THEME NO. 1) 19

5.1 Activities 19

5.2 Human Resources 26

5.3 Financial Resources 28

6 EVALUATION OF SPIN-OFFS AND CLIENT SATISFACTION (THEME NO. 2) 32

6.1 Client Characteristics 32

6.2 Interest and Satisfaction of Business 36

page

6.3 Impact on Business 38

6.4 Impact on Employment 41

7 ASSESSMENT OF AGREEMENTS (THEME NO. 3) 44

7.1 Effectiveness of Follow-up Mechanisms 44

7.2 Complementarity and Duplication 47

7.2.1 Presence of Two Funding Sources 47
7.2.2 Ad Hoc Agreements 48
7.2.3 Visibility Protocol 49

7.3 Choice of Subsidized Activities 49

7.4 Self-financing 50

7.5 Definition of Exporter Types 53

7.6 Definitions of Service Types 55

7.7 Relations between Commissioners and Managers 55

7.8 Intervention Model 56

7.9 Service Invoicing 56

7.10 WTC Role 56

7.11 Regions 57

7.12 Role of Associations and Business Groupings 57

8 CONCLUSION AND RECOMMENDATIONS 59

LIST OF APPENDICES

Appendix 1 Questionnaire for User Surveys
Appendix 2 Interview Guide - Commissioners
Appendix 3 Interview Guide - Managers
Appendix 4 Summary Evaluation Grid
Appendix 5 Financial Tables

page

LIST OF FIGURES

Figure 4.1 ORPEX Funding Programs Chain of Theoretical Results 18
Figure 7.1 ORPEX Funding Program Chain of Results 46

LIST OF TABLES

Table 1.1 List of ORPEXs and Main Funding Sources 3
Table 3.1 Total Number of Companies and Number of Companies Interested in Exporting by Administrative Region 9
Table 3.2 Number of ORPEX Clients and Number of Companies Interested in Exporting by Region 12
Table 5.1 Nomenclature of Activities 21
Table 5.2 Summary of Activities Planned and Carried Out, 2001 and 2002 23
Table 5.3 Number of Employees per ORPEX-2001-2002 27
Table 5.4 ORPEX income and expenses – 2000/2001 30
Table 5.5 ORPEX income and expenses 2001/2002 31
Table 6.1 Workforce 33
Table 6.2 Companies' Revenues 33
Table 6.3 Area of Activity 34
Table 6.4 Last Year Commission Services Were Used 34
Table 6.5 Export Experience 35
Table 6.6 Export Revenues 35
Table 6.7 Export Destinations 36
Table 6.8 Services Rendered (of 301 respondents) 36
Table 6.9 Services Desired (of 301 respondents) 37
Table 6.10 Satisfaction with Services Rendered 38
Table 6.11 Company Behaviour 39
Table 6.12 Increase in Exports 40
Table 6.13 Impact on Employment 42
Table 6.14 Jobs Created or Saved 43
Table 6.15 Use of Consultants' Services 43
Table 7.1 ORPEX Income 2001/2002—Public Sources 52
Table 7.2 definition of exporter types 54

104-06765/

LIST OF ACRONYMS

BDC	Business Development Bank of Canada
WB	World Bank
BDC	Business Development Centre
CEDC	Community Economic Development Corporation
CLD	Centre local de développement
CLE	Centre local d'emploi
CORPEX	Corporation régionale de promotion des exportations du Bas-Saint-Laurent
CRCD	Conseil régional de concertation et de développement
CRD	Conseil régional de développement
CRDO	Conseil régional de développement de l'Outaouais
CED	Canada Economic Development
US	United States
RBM	Results-based management
MDER	Ministère du Développement économique et régional
MI	Montérégie internationale
MR	Ministère des régions
WHO	World Health Organization
UN	United Nations
ORPEX	Regional export promotion organizations
NPO	Non-profit organization
SME	Small and medium-sized business
RECOMEX	Quebec Network of Export Commissioners
CFDC	Community Futures Development Corporation
SDE Longueuil	Société de développement à l'exportation de Longueuil
SDO	Société de développement de l'Outaouais
SERDEX	Service régional de développement des exportations Saguenay-Lac-Saint-Jean
SMMGIM	Secrétariat à la mise en marché pour la Gaspésie et les Îles-de-la Madeleine

Exports (from Quebec) have grown a lot more quickly than the economy as a whole, so that, as a proportion of the gross domestic product (GDP), they went from 44% in 1990 to 60.4% in 2001 (made up of 41% of GDP for international exports and 19.4% for exports to the rest of Canada). Exporting has taken on such importance that it now has a decisive influence on the performance of the Quebec economy in terms of wealth and employment creation. In 1997, close to 800,000 jobs, or 25% of total employment in Quebec, were directly or indirectly generated by exporting. In the manufacturing sector, it was closer to three of every four jobs.[1]

[1] *Vers le plein emploi*, Volet Exportations, Horizon 2005, Quebec City, 2003.

EXECUTIVE SUMMARY

The ORPEXes were born in the mid-1990s to promote development of regional businesses' exports. They are financed by governments. In all, there are 22 ORPEXes, including the World Trade Centre (WTC), which has a supra-regional mandate, six ORPEXes in the Montérégie region and the rest in each of Quebec's administrative regions. Taken together, these ORPEXes employ some one hundred employees, who serve nearly 3,300 companies every year. The average ORPEX has an annual operating budget of $315,000, of which some 10% is from self-financing.

This evaluation of ORPEX funding programs specifically looked at the following themes:

1. a review of completed activities;
2. spin-offs for clients and their level of satisfaction;
3. the operation of governmental agreements.

The main observations on each of the evaluation themes are presented in the following paragraphs.

1. Review of completed activities

The list of activities organized by ORPEXes is based on the nomenclature in use at Canada Economic Development (CED) and the *Ministère du Développement économique et régional* (MDER). These activities are generally divided into 4 categories: awareness activities, for companies interested in exporting but which are not yet exporters; activities related to knowledge development, when an entrepreneur wants to learn more about export markets; export advice, when the entrepreneur has decided to go ahead with its project but still needs technical assistance; and, finally, support for market penetration by entrepreneurs who are carrying through their plan but would like some support.

(A) Awareness activities

In 2001-2002, ORPEXes organized some 60 export awareness workshops, reaching about 20 people each time or a total of more than 1200. They also organized small luncheon or supper talks on export-related topics. Seventy-seven were held in 2001-2002, with an average

attendance of some 40 people. The speakers are often exporters who report on their successes and failures. In addition, ORPEX employees regularly met with entrepreneurs interested in exporting and gave them general advice. The typical ORPEX published a journal or newsletter, with a circulation of 2,700 copies, entirely devoted to exports.

(B) Knowledge development

For entrepreneurs who want to proceed with their export process, ORPEXes organize specialized training workshops. Nearly 150 of these workshops were held in 2001-2002, with an average attendance of about 15 people, which makes a total of 2,250 people. In addition, some 15 NEXPRO-type training sessions [2] were organized and a number of trade missions were prepared. Some ORPEXes have also created exporters' clubs, groups of entrepreneurs interested in further brainstorming and taking advantage of others' experience.

(C) Exporting advice

This category of activity is mainly to support and advise exporters. It is therefore less well suited to quantitative analysis. During the period under review, commissioners helped 670 entrepreneurs to do a diagnostic of their business in order to determine its real export capacity. Most often, the tools used are provided by governments. ORPEX specialists sought out the relevant information to help them draw up export plans and often drew up the plans themselves for a fee.

(D) Support for market penetration

When entrepreneurs are determined to enter a particular market, they can get very precise information on the technical and economic characteristics of the product on that market. If the entrepreneur so requests, the commissioner (or his or her employees) occasionally accompany the entrepreneur on trade missions, especially in the case of a first mission. In 2000-2001, ORPEXes took part, to different degrees, in the organization of 104 trade missions, as compared to 124 in 2001-2002. These missions are generally made up of 3 or 4 persons from 2

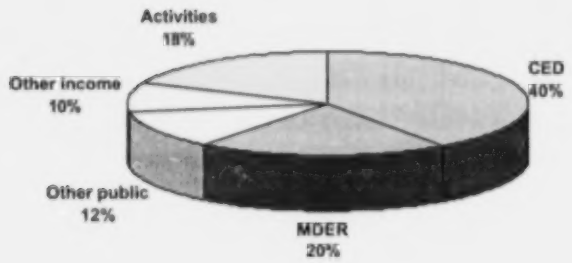
[2] A training program for a new exporters based on group workshops and individual follow-up sessions.

or 3 different companies. Some ORPEXes had these missions sponsored by experienced exporters that have already made a breakthrough in those markets.

After a review and compilation of the activity reports of all 22 ORPEXes for the last two years, it was found that most activities were not accounted for on the same basis, making it virtually impossible to analyse the actual activities vis-a-vis those that were called for in the agreements. No precise conclusion can be drawn, therefore, as to compliance with the signed agreements in that regard.

With respect to funding, ORPEXes' funds came from the following sources: CED 40%, MDER 20%, other government sources 12% (municipalities, colleges etc), mandates/activities/missions carried out 18%, and self-financing 10%. So, in 2001-2002, ORPEXes had access to funding, from all sources, of $9.3 million in all.

ORPEX Funding Sources
2001-2002



Self-financing funds were made up of: consulting fees ($345,769), membership dues ($24,300), sponsorship earnings ($39,616), mandates/activities/missions ($1,706,975) and miscellaneous income.

Most likely, the funds derived from "mandates/activities/missions" (essentially government contributions and entrepreneurs' participation) were offset by operating expenses and made little or no contribution to self-financing.

2. Spin-offs for clients and level of satisfaction

To determine the levels of satisfaction of ORPEX service users, a telephone survey was done of the 3285 companies that are ORPEX clients. In all, 301 questionnaires were completed, 261 by representatives of companies that are already exporting and 40 from entrepreneurs who have not yet begun to export but are interested in doing so. According to BIP, which did the survey, this type of survey has a threshold of confidence, for Quebec as a whole, of more than 95% 19 times of 20.

In general, clients are very satisfied with the activities organized and 94% of them would recommend to other entrepreneurs that they use the services provided by the commissions. In particular, they appreciate their professionalism and quality of their services, but they are a little more critical of:

- the advice on costs and profitability of export activities;
- the logistical support.

Also, the more experienced the entrepreneur, the less satisfied they tended to be.

More than 35% of them increased their exports outside Quebec following their participation in one or other of the activities organized by ORPEXes. The most frequently mentioned destinations for these new exports were, in order: the US (48%), the other provinces of Canada (23%), South America (9%-unspecified countries), Japan (8%), France (8%) and Africa (8%-unspecified countries).

These exports also had effects on employment: 8.6 % of the companies say they created full-time jobs (5.4 per company), 24.6% say they saved jobs (9.2 per company), 7.6% say they both created and saved jobs, while 44% say they did neither. Most of the jobs created or saved are full-time jobs, but the entrepreneurs say they also created, on the average, 2.9 part-time jobs. If we extrapolate these results to the entire population of client companies, it appears that the various ORPEXes activities generated 2630 full-time jobs and 790 part-time jobs.

3. The content and operational structure of government agreements

To achieve the objectives of this third evaluation team, 26 interviews were carried out with government managers and export commissioners. The main issues ORPEXes have to deal with are: the effectiveness of follow-up mechanisms, the presence of two funding sources, performance measurement, ad hoc agreements and the Visibility Protocol, self-financing, the definition of types of exporter, the definition of types of service, the relations between commissioners and managers, the intervention model, the invoicing of services, WTC roles, the regions, and the role of company associations and groups.

Effectiveness of follow-up mechanisms

The most usual follow-up mechanism for ORPEX agreements is the performance measurement framework. All agreements signed with CED contain an appendix on "continuous performance measurement". Within MDER, this framework is increasingly used: it clearly defines how many

activities must be organized, at what cost, how often, and what audience is to be reached. All activity reports consulted therefore deal with the activities organized in the light of the inputs used, and the results assessed are those expected in the short term.

Few ORPEXes report on results expected in the medium term and in any case none has implemented the internal information systems it would need to efficiently produce such reports. Within CED, ORPEX reports are analysed twice yearly by managers, then passed to the directorate, which publishes a report on the Department's performance. At MDER, the regional manager has the requisite latitude to assess whether actual activities, as presented in the year-end report, warrant a continuation of the government contribution.

Presence of two funding sources

In general, the fact that there are two sources of funding for particular ORPEXes has not led to any bidding war by commissioners, who are in any case well aware that government managers not only sit on most of the boards of directors, as observers, but also have regular discussions among themselves.

Ad hoc agreements

As things now stand, managers sign basic agreements with ORPEXes for a three-year term. Those agreements call for a series of activities and objectives to be met each year, with appropriate budgets. In reality, it is not possible to plan and provide for everything, for both human resources and the economic situation are constantly changing and creating new opportunities to be grasped. Managers and commissioners appreciate the flexibility of ad hoc agreements, which enable them to adjust to changing situations without affecting the orientations of the basic agreements.

Visibility Protocol

One of the appendices to the CED agreements deals with the "Visibility Protocol", which requires a federal government presence, and in particular CED representatives, at activities and events organized by the signatory, as well as acknowledgement of CED in the ORPEX's communications vehicles. Virtually all managers and commissioners agree that these requirements are being complied with and do not cause any real operational problems in the field.

Choice of subsidized activities

Subsidized activities are all found at one level or another within the Nomenclature of Activities, which, despite its lack of clarity, is well accepted and used in the community. Commissioners know each other, take part in the same training and information sessions, and meet at the assemblies and meetings of RECOMEX committees, so they are well aware of each other's successes and failures.

Self-financing

According to the Quebec government's Treasury Board, the combined funding from both levels of government must not exceed 80% of ORPEXes' total funding except in the cases of Abitibi-Témiscamingue, the North Shore and the Gaspé–Magdalen Islands, where the permissible maximum is 85%.

Most ORPEXes and their managers see the obligation to self-finance to the extent of 20% (or 15% as the case may be) as at best a waste of time and at worst a distortion of their mandate. All of them agree that a certain number of services should be charged for, but not at prohibitive prices. It is generally thought that the rates should be set at a level that turns away triflers without discouraging companies that may still be hesitant. The Commissioner should not, as seems to be the pattern in some regions, become a funding broker, more concerned with fundraising than with the services to be provided to entrepreneurs.

Definition of exporter types

The Quebec government's strategy paper contains a list and definition of companies according to their place on the continuum from non-exporters to experienced exporters. The five stages are as follows:

- Potential exporter
- Enterprise qualified to export
- Beginning exporter
- Consolidating exporter
- Diversifying exporter

Both among managers and commissioners, there is a certain uncertainty as to the definition of the type of exporter. Though the concept is clear, it is often difficult to place a given company in one category or the other. Thus, a company may find itself placed in one category on account of its participation in one market and in another category for a different market.

Lenders should therefore establish a baseline for companies' situation, in terms of their place in the scale of exporters, in order to be able to measure ORPEXes' real contribution from one year to the next.

Definitions of service types

Many stakeholders say the activities in each service type are too similar and create confusion. Sometimes the same activity is placed in one box on the grid, sometimes another. Commissioners sometimes get the impression that they must propose activities in each category.

Relations between commissioners and managers

Some government managers are not convinced that the ORPEX formula is worth keeping, and would rather financial contributions were made to existing agencies or institutions, such as chambers of commerce, to organize awareness activities. Some of them also questioned the number of trade missions, their destinations, the way they are organized, their cost, and in general their efficiency and effectiveness.

WTC Role

The World Trade Centre's financing raises a number of questions. People find its budget high and some are wondering whether it was not obtained at the expense of other ORPEXes. In addition, some diagnostics or plans drawn up by its employees or representatives were deemed too theoretical and entrepreneurs were dissatisfied with them. Some training sessions allegedly were given by trainers with little export experience.

It was also mentioned that because of its remoteness from the regions, the WTC would not be able to provide support to companies, much less the necessary follow-up after training or after proposing an export strategy.

Regions

The number of SMEs is very variable depending on the area, in the regions or in (or even near) an urban centre. Some stakeholders think ORPEXes in remote regions should receive a larger contribution because of their greater travel times and costs. Conversely, others would like the contribution to be proportionate to the number of SMEs to be served.

Role of associations and business groupings

Not all ORPEXes are able to organize trade missions made up of companies working in the same sector, those from the same regions, or those that have reached the same stage on the export continuum. Quite often, they are obliged to organize either multisectoral missions, or missions with only a few individuals.

One way of reaching a number of similar companies at the same time is to support sectoral associations like those in the construction, telecommunications or NTI industries or even the *Association des manufacturiers et exportateurs du Québec*. Montreal's WTC provides specialized services in this niche and many people are wondering whether it should not be assigned a larger share of the trade missions. That would enable the missions to be better prepared and make better use of the trade commissioner networks of Quebec and Canada

alike. Follow-up of these missions would then become a joint responsibility of the regional commissioners and the WTC under a formula to be arranged.

4. Conclusion and recommendations

In general, this assessment of ORPEX activities leads us to the conclusion that these SME support organizations ought to be kept. However, some improvements are needed to improve their operations, in particular with respect to the performance measurement framework and ORPEXes' autonomy in determining their activity programs.

Recommendation No. 1: Review the performance measurement framework and enhance ORPEX autonomy

The performance measurement framework needs to be reviewed and should henceforth contain only actual results. These should also be distinguished from activities, which ought to be left for the ORPEXes, and their decision centres, to decide on. Activity control would be done through annual work plans and activity reports, which must be accepted by Boards of Directors on which government managers would sit as observers. A necessary consequence of this would be the requirement for a regional review of exporting companies.

Recommendation No. 2: Define self-financing measures

Self-financing measures ought to be well defined and should pertain only to membership fees, consultation fees, the sale of publicity or other advertising materials and contributions to the overhead of the paying services. When regional authorities contribute (cities, MRCs, CRDs and CLDs), they should do so without distorting the ORPEX's mandate. When self-financing measures are thus defined, a suitable and realistic goal might be for local companies to make a contribution of between 10 and 15%.

Recommendation No. 3: Centralize some activities

Trade missions to the World Bank (WB) and all international lenders (UN, WHO, etc), where these are deemed profitable, should continue to be centralized at the WTC. The same would be true of "reverse" trade missions, that is, missions to Quebec by buyers from those organizations.

In view of the scope of its mandate, which covers all regions of Quebec, some more specialized courses should also be designed and administered by the WTC, even if the trainers have to travel to the regions at the request of a number of ORPEXes (should the individual demand be too low). This is all the more desirable in that ORPEXes should, in future, specialize more in services to new and potential exporters.

In any event, a way needs to be found of integrating the WTC and its specialized services into the services provided by the ORPEXes, making the best possible use of centrally located specialists but respecting regional characteristics. That would have two major consequences:

- the level of ORPEXes' financing would need to take into account the services already provided centrally;
- the Quebec government would have to contribute to WTC financing as it does to the financing of all other ORPEXes, recognizing its place in the network and in the whole skein of services rendered.

Recommendation No. 4: Clarify the Nomenclature of Activities to correspond to exporter types

A guide should be prepared for ORPEXes so that a standardized nomenclature can be used for both services and exporter types and comparisons can therefore be made between the two. Similarly, without insisting on total consistency, ORPEXes' fiscal years should be aligned with governments'. ORPEXes' rules should be clarified on the basis of these details by identifying the kinds of undertakings to be supported and the corresponding activities for each.

A joint working committee could therefore be set up and given the mandate of making the nomenclature of activities and exporter types consistent. The committee could also look at accounting procedures for ORPEX operations and provide a few guidelines for the classification and accounting treatment of activities (in particular those for which ad hoc contributions are received from governments).

This committee might also lay the groundwork for a possible integration, or at any rate coordination, between the two governments' programs, on the basis of a common definition of objectives and modus operandi.

Recommendation No. 5: Study trade missions' economic and commercial impacts

Because many managers are questioning trade missions' usefulness and effectiveness, CED and MDER should sponsor a study on the economic and commercial impacts of trade missions, using a longitudinal approach (for example, over a period of 3 to 5 years) to identify the essential conditions for their success. This study would enable lenders to better justify their responses to ORPEX applications.

Recommendation No. 6: Standardize report formats

Lenders should propose an annual report format to ORPEXes to standardize the gathering and interpretation of statistics on their activities. The report format should include a section on analysis of regional clienteles by exporter type.

Recommendation No. 7: Encourage the conduct of training and information sessions

Lenders should encourage the organization of training and information sessions for commissioners to help them keep their knowledge of export management practice up to date,

discuss their experiences, and contribute to the design and implementation of government export strategies. RECOMEX could host these sessions.

1 INTRODUCTION

Since the middle of the 1990s, the federal and provincial governments have been supporting organizations which, within the regions of Quebec, have responsibility for export promotion. "Regional export promotion organization" (ORPEX)[3] is the word that will be used in this report for this type of organization.

ORPEXes arose because of the desire of governments to contract out rather than doing things in-house. Government services were receiving many requests from SMEs to take part in fairs, exhibitions, missions etc taking place abroad even though the SMEs often lacked the necessary human or material resources. Hiring of new permanent resources into the public service was unsuited to the rebalancing of public finances that was then the priority, particularly within the Quebec government.

The creation of the ORPEXes therefore made it possible to give non-profit organizations (NPOs) the job of dispensing services that were being, or should have been, rendered by central or regional offices of departments. The ORPEXes are also intended to ensure that requests are processed on site by experts from the same regional environments.

An initial assessment of the ORPEXes receiving funding from the Quebec government was done in 1999, the results being made public in 2000. Essentially, the findings of this assessment were that companies were satisfied with the services rendered, that more and more of them wanted to export, and that the government should therefore renew its program provided certain conditions were met.

Since 1999, however, there has been much change in the economic situation and the two main lenders to ORPEXes, Canada Economic Development (CED) and the *Ministère du Développement économique et régional* (MDER), have seen fit to carry out a joint assessment of their programs of support for these organizations and thereby to take a comprehensive look at the export promotion activities of Quebec ORPEXes.

[3] *ORPEX* is the federal government's name for this type of organization, whereas the Quebec government uses *Commissariat à l'exportation* or *Service régional de promotion des exportations*. These organizations actually have a number of different names, ranging from *Secrétariat à la mise en marché to Corporation Régionale de Promotion des Exportations (CORPEX)*, or—most commonly—the name of the region followed by "international".

In particular, this assessment will dwell on such themes as:

1- a review of completed activities;
2- spin-offs for clients and their level of satisfaction;
3- the content and operational operation of government agreements.

A list of the 22 ORPEXes assessed during this exercise is given in Table 1.1 on the next page, the different sources of funding being shown separately. It will be noted that eight organizations are funded exclusively by CED, three exclusively by MDER and the *Conseils régionaux de développement* (CRDs) and 11 by both. This information is based on the latest financial statements available.

The ORPEXes all belong to a network called the *Réseau des commissaires à l'exportation* or Quebec Network of Export Commissioners (RECOMEX), which comprises 22 commissioners[4] and is intended to support them in their approaches to governments and exporting SMEs. It also plays an information exchange role with respect to business support programs and best practices. Only Montreal's World Trade Centre (WTC) is not a member.[5]

This report comprises 8 chapters. The first two chapters deal with the evaluation process and the methodological approach. Chapter 3 describes the methodology used to do the evaluation. Chapter 4 presents a brief description of the support programs provided to ORPEXes by CED and MDER. Chapter 5 presents of the various results obtained in the report on activities (theme 1). Chapter 6 presents client survey results in terms of spin-offs and satisfaction (theme 2). Chapter 7 outlines results pertaining to the content and operational structure of government agreements (theme 3). Finally, chapter 8 presents the recommendations from the evaluation. Each of the recommendations is based on the various findings and conclusions in this report.

[4] Or they may be called DGs or secretaries. The name varies from one region to the next.
[5] RECOMEX also includes the City of Montreal borough of St. Laurent, which receives no financing either from CED or MDER.

Table 1.1
List of ORPEXes and Main Funding Sources

ORPEX name:		Funding source[5]
1	Bureau de promotion des exportations d'Abitibi-Témiscamingue	CED and MDER
2	Chaudière-Appalaches Export	CED and MDER
3	Chambre de Commerce et de l'Industrie de l'Est de l'Île de Montréal	CED
4	Club Export@ction (Service de soutien à l'exportation Haut-Richelieu)	CED
5	Club Export des Cantons-de-l'Est	CED
6	CORPEX Côte-Nord	CED and MDER
7	Corporation de développement international Centre-du-Québec	CED and MDER
8	Corporation Mauricie International	MDER
9	CORPEX Bas-St-Laurent	CED and MDER
10	Estrie International 2007	CED and MDER
11	Lanaudière International	MDER
12	Laurentides International	CED and MDER
13	Laval Technopole Export	CED and MDER
14	Montérégie International	MDER
15	Outaouais International	CED and MDER
16	SMMGIM (Gaspé)	CED and MDER
17	SERDEX (Lac-St-Jean)	CED and MDER
18	Service d'exportation Richelieu-Yamaska (SERY)	CED
19	SDE Longueuil	CED
20	Société de l'expansion des exportations du Suroît	CED
21	Société de promotion économique du Québec métropolitain	CED
22	WTC	CED

[5] For purposes of this table, CRDs are included under MDER.

2 EVALUATION PROCESS

Both governments involved in ORPEX funding take part in the evaluation. In accordance with an agreement between the two governments, a set of specifications was drawn up and discussed with the consultant.

2.1 Themes

Evaluators were asked to look at the following three themes:

1. A review of completed activities

In examining this theme, the goal was to portray the activities expected and completed under funding agreements (over two fiscal years or 24 months).

2- Spin-offs for clients and their level of satisfaction

This second theme deals with client satisfaction, the match between the services and products provided by ORPEXes and the types of clientele for these products and services and the spin-offs for that clientele.

3- The content and operational structure of government agreements

Through this theme, what was to be addressed was the efficiency of management mechanisms (agreements, follow-up and complementarity between the two governments).

Appendix 4 contains the summary evaluation grid for these three themes.

2.2 Timetable

The official startup of the study was in winter 2003, when the consultant began to draft the evaluation tools, in particular the interview grid for commissioners and managers as well as the client questionnaire. Individual interviews took place between April 3 and June 10.

The review of the relevant documentation was to have taken place during the first two weeks of March but, for reasons explained below, the necessary information took much longer to reach the consultant. The last ORPEX's financial report was not received until August.

The telephone survey of clients and users of the commissions took place from June 9 to 15 after a preliminary test conducted on June 4 and 5.

The preliminary version of the evaluation report was released to CED and MDER for validation and comments in July 2003.

2.3 Follow-up Committee

Formation of a follow-up committee made up of representatives of both governments, as well as the president of RECOMEX, allowed a comprehensive validation of the process and the evaluation report to be done at various strategic times. Thus, the evaluation committee has had an opportunity to react to the terms of reference, the evaluation tools and the preliminary results of the data gathering, and to comment on the various versions of the evaluation report. Consideration was given to calling upon resource persons in the second stage in support of a critical look at the area of export support activities and to enhance the validity of the study.

2.4 Deliverables

Deliverables under the contract include: evaluation tools, a preliminary report and a final evaluation report comprising the results of a survey of users of commission services. In addition, two databases were to be produced that will be accessible using SPSS software, one on ORPEX activities and finances, the other on the statistical survey of users.

METHODOLOGICAL APPROACH

The approach proposed and accepted for this evaluation was based on three key activities, each corresponding to one of the evaluation themes: A documentation review and establishment of a database on all of the 22 ORPEXes (theme No. 1), a survey of ORPEX service users across Quebec (theme No. 2), and individual interviews with a sample of stakeholders (theme No. 3).

2.5 Literature review and database

The Consultant looked over the main documents from the ORPEXes and both levels of government. These documents were mainly made up of activity reports and audited annual financial reports. All those responsible for ORPEXes at CED and MDER, as well as the commissioners themselves, were asked to provide the Consultant with their reports for the last two years, 2001 and 2002. In a few cases, the latest reports dealt with a period ending in 2003.

With this information in hand, the Consultant was to establish a database. The available information was collated, but because the presentation of the information received was to variable, a first matrix (table) was drawn up by the Consultant and returned to the ORPEXes to be completed or validated from their own information as required.

Throughout the evaluation process, there were frequent contacts with the ORPEXes to finalize the matrix. What had been expected to be a formal compilation exercise became a hard and time-consuming job as the data needed to be consolidated and the information gathered systematized.

Individual interviews

In order to give evaluators food for thought, regions were chosen for individual interviews to be done with the Commissioners and managers. These regions were chosen according to the following criteria:

- regions where ORPEXes are funded by both departments;
- two so-called "central" regions, two so-called "remote" regions, and two so-called "midway" regions, relative to a large urban centre;
- regions where funding volumes were "high", " medium" and "low".

Application of these criteria was weighted by the need to account for the cost of travel from one region to the other and not to spend too long on this activity. As a result, the following regions were chosen:

- Québec/Chaudière/Appalaches;
- Laval;
- Gaspé/Magdalen Islands;
- Bas Saint-Laurent;
- Eastern Townships;
- Outaouais.

The list was rounded out by the Montreal area, where the WPC has a Quebec-wide mandate but receives funding only from CED, and the Montérégie area, where Montérégie International provides services to the five ORPEXes on its territory while receiving funding exclusively from MDER. The follow-up committee also asked for one ORPEX from that region to be added to the list, so that in all there were 24 persons to be met with in the eight regions.[7]

In carrying out this activity, the intention was not to pass judgement on the effectiveness or efficiency of the nine selected ORPEXes, but only to better understand their situation and the different problems they face in order to be able to assess the government programs provided for them. First of all then, these individual meetings were an opportunity for in-the-field meetings

[7] The WTC, however, has only the one manager.

with the main stakeholders in this area and a first-hand look at their ideas and comments on ORPEXes and their future.

The interviews took place in April and May 2003 on the basis of a semi-structured interview grid. In all, 9 commissioners, 8 CED managers and 7 MDER managers were interviewed.[8] The interview guides for commissioners and government managers are presented in Appendices 2 and 3 respectively. At the end of the mandate, the Consultant deemed it useful to meet with two managers from Industry Canada's International Trade Centre to discuss ORPEX files over the last few years.

2.6 Survey of clients

Before carrying out a scientific survey of clients and users of commission services, it was necessary to specify the total numbers of businesses in the regions. Ideally, the survey should have focused on the business population, but because of the large number of potential businesses, such a survey would have been too costly. The decision was therefore made to use client lists from ORPEXes, with a certain quantitative control being provided by means of the only provincial database that makes a distinction, on a regional basis, between companies that export and those that are only interested in exporting.

According to the CRIQ database[9], some 30,700 manufacturing firms, wholesale businesses and business support services are present in Quebec's 17 administrative regions (Table 3.1). Their numbers vary quite significantly from one region to another. Thus, there are 9,322 and 5,004 respectively in the Montreal and Montérégie regions, as opposed to only 258 and 321 respectively on the North Shore and in the Gaspé/Magdalen Islands region.

[8] Three interviews were done over the phone.
[9] Because of the way these data were gathered, they should be taken only as orders of magnitude for the regional business populations.

Table 3.1
Total Number of Companies and Number of Companies Interested in Exporting by Administrative Region

Administrative Region	Total* (1)	% Total	Exports (2)	Interested in Exporting (3)	Altogether (number) (4)=(2) + (3)	% of Total	Exports % by Region	Interested in Exporting % by Region	Altogether (%) by Region
Gaspésie/Îles-de-la-Madeleine	321	1%	67	39	106	0%	21%	12%	33%
Bas-Saint-Laurent	718	2%	177	106	283	1%	25%	15%	40%
Saguenay--Lac-Saint-Jean	936	3%	203	116	319	1%	22%	12%	34%
Quebec City	3,029	10%	797	406	1,203	4%	26%	13%	39%
Chaudière/Appalaches	2,094	7%	638	254	892	3%	30%	12%	42%
Mauricie	1,023	3%	258	122	380	1%	25%	12%	37%
Centre-du-Québec	1,323	4%	419	151	570	2%	32%	11%	43%
Eastern Townships	1,391	5%	516	158	674	2%	37%	11%	48%
Montérégie	5,044	16%	1,904	552	2,456	8%	38%	11%	49%
Montreal	9,322	30%	4,037	897	4,934	16%	43%	10%	53%
Laval	1,372	4%	485	173	658	2%	35%	13%	48%
Lanaudière	1,159	4%	292	151	443	1%	25%	13%	38%
Laurentides	1,743	6%	466	190	656	2%	27%	11%	38%
Outaouais	479	2%	132	54	186	1%	28%	11%	39%
Abitibi/Témiscamingue	463	2%	123	53	176	1%	27%	11%	38%
North Shore	258	1%	65	25	90	0%	25%	10%	35%
Northern Quebec	53	0%	15	5	20	0%	28%	9%	37%
TOTAL	30,728	100%	10,594	3,452	14,046	46%			
Average per region	1,808		623	203	826		29%	12%	41%
Average without Montreal, Montérégie and Northern Quebec	959		331	143	474				

* Manufacturing sector businesses, wholesale trade and busines s support services
Compilation by Tecsult, from the CRIQ website, done on April 2, 2003.

Exporter SMEs

However, the most significant statistic is not of the total business population, but the number of companies already exporting or showing some interest in exporting.

In all of Quebec, 10,594 companies[10] indicate that they are exporters already, whereas 3,452 say that they are interested in exporting. Sixty per cent of all companies that are already exporters are in the greater Montreal region[11] and close to 47% of the companies interested in exporting.

With respect to the total number of companies in a region, the proportion of companies that are already exporters is higher in Montreal (43%), Montérégie (38%) and the Eastern Townships (37%), than in remoter regions such as Gaspé and the Magdalen Islands (21%), Saguenay/Lac Saint-Jean (22%), Bas-Saint-Laurent (25%) and the North Shore (25%) Thus, not only are there are fewer companies in these regions in absolute terms, but they are proportionately less apt to be exporters and, most of the time, are less interested in exporting.

ORPEX clients

A list of the clients of 21 ORPEXes[12] was requested in order to establish a database to be used to gauge the level of user satisfaction and the effects of the commissions' activities on income and employment. Close to 3,300 company names were submitted, mainly in the form of Word and Excel files, but also in other formats. All of these lists were then transferred or copied into Excel.

[10] Compare this number with the 8,500 companies who were exporting in 2000 according to the Quebec government policy document already cited.
[11] Montreal, Montérégie and Laval.
[12] The 22nd, Montérégie International, serves only five other ORPEXes. To include its clients would therefore have meant counting them twice.

In Montreal, the WTC provided a list of 1,770 different companies[13] to which it had provided services over the last few years, representing more than 39% of all companies entered in the regional CRIQ database. As the WTC provides business support services in all regions, the ratio between clients served throughout the regions of Quebec and those of its own region is exaggerated. Thus, a compilation carried out using that list indicates that 1004 of the companies have a telephone number beginning with the Montreal area code 514, the remainder, 766 companies or 43% of those listed, being in other area codes, mainly 450 and 819.

In addition, some regions sent a partial list of their clients. By comparing these lists with CRIQ's lists of companies by administrative region, a few regions can be identified that are clearly below the average for Quebec, which is 15% outside Montreal (Table 3.2). These are: Centre du Québec, Quebec City, Bas-Saint-Laurent, Saguenay, Laval and Laurentides. The lists submitted by these regions account for a rather low proportion of the number of companies interested in exporting in the CRIQ lists. It may be supposed that the fact that the lists are so select has led to an overestimation of satisfaction levels throughout Quebec. However, we cannot quantify it.

These lists were used to establish the survey sample, but were first sorted to eliminate double entries, government representatives (in particular those of CED and MDER) and foreign participants in a particular event.

[13] After our sort.

Table 3.2
Number of ORPEX Clients and Number of Companies Interested in Exporting by Region

	Region	Number of Clients (subregion)	Number of Clients (region)	Companies interested in exporting registered with CRIQ	%
1	Abitibi		106	176	60
2	Chaudière/Appalaches		87	892	10
4	Montérégie (HR)	101			
5	Montérégie (Eastern Townships)	149			
18	Montérégie (SERY)	247			
19	Montérégie (Longueuil)	81			
20	Montérégie (Suroît)	50			
14	All of Montérégie		628	2,456	26
6	North Shore		43	90	48
7	Centre-du-Québec		46	570	8
8	Mauricie		39	380	10
9	Bas St-Laurent		16	283	6
10	Eastern Townships		97	674	14
11	Lanaudière		52	443	12
12	Laurentides		45	656	7
13	Laval		25	658	4
15	Outaouais		51	186	27
16	Gaspésie IM		36	106	34
17	Saguenay		27	319	8
21	Quebec City		80	1,203	7
22	Montreal (WTC)	1,770			
3	Montreal-East	137			
	All of Montreal		1,907	4,934	39
	Total (1)		3,285	14,026	23
	Excluding Montreal		1,378	9,092	15

(1) Excluding the northern Quebec region

In order to ensure that all regions were represented in the sample, a minimum of five companies per list was required by the survey manager, BIP. In all, there were 301 clients in the selected sample, of whom 105 are accounted for by this requirement, whereas the others were chosen from the same lists but in a totally random fashion, except for the Montreal region. The overrepresentation of WTC clients in the Montreal area would probably have resulted in a selection of more than 104 companies out of the 196 available, thus leaving only 92 selections available for the other 21 ORPEXes, or fewer than five each. Therefore, the WTC list was blocked, so that no list represents more than 8% of the sample.

It is important to emphasize that the results of this survey are not statistically significant at the level of each region but only at the pan-Quebec level. Therefore, no results are presented at the regional level.

In all, 1084 companies were chosen for the sample, 546 interviews completed and 301 deemed usable. In 150 cases, there was no answer at the number dialled; in 246 other cases, the respondent was absent, and 152 refused to participate. According to BIP, this type of survey has a threshold of confidence, for Quebec as a whole, of more than 95% 19 times of 20.

In 1999, when the evaluation survey was conducted, Commissioners themselves drew up the list of companies to be surveyed using a postal questionnaire. Accordingly, the 2003 randomly sampled survey is an improvement.

PROGRAM DESCRIPTION

2.7 ORPEX Role

According to a federal government publication,[14] the various stages of market development of companies interested in exporting interesting can be placed on the following continuum:

- potential exporter;
- preparing to export;
- experienced exporter.

Government support varies according to the stage the company is at; service becomes increasingly specialized as the company moves through this continuum. Thus, an experienced exporter would be in greater need of funding for its working capital, its foreign clients and, ultimately, its market diversification. A potential exporter, on the other hand, would instead need general information, ways of developing its knowledge, and exporting advice.

According to some CED and MDER managers we met during the interviews, ORPEXes were originally supposed to specialize in services to potential exporters while government departments were to provide service to experienced exporters. As for companies preparing to export, these would be shared between both bodies depending on market complexity.

The services provided by ORPEXes should therefore focus principally on the following activities:

- general information;
- export preparedness manuals;
- training in skills necessary for exporting;
- preparation for geographically identified markets;
- export preparedness assessment;
- development of export plans;
- implementation of export plans.

[14] Roadmap To Exporting, second edition, Team Canada, 2001.

This approach is not shared by all commissioners, most of whom want to go farther along the continuum, in particular by organizing trade missions in specialized sectors and in regions that do not appear natural for SMEs classified as "potential exporters".

In general, MDER and CED prefer to support activities connected with export promotion rather than funding operations and recurrent charges of administrative structures. The fact remains that without an intake structure, no activity is possible. MDER therefore forecasts that part of its funding will go to pay the Director General's salary, whereas CED accepts operating costs as an admissible expense but pays only part of them.

CED's ORPEX funding is generally spread over three years. In preparation for this evaluation, a number of agreements were simply extended for a few months. The Quebec government's agreements are also for a term of three years, and all of them terminated on March 31, 2003. An application to Treasury Board to extend the term of the agreements by six months was accepted in June 2003.

2.8 CED

Federal government funding for ORPEXes comes from the export market development component of CED's IDEA-SME program, which is intended to enhance companies' ability to market their products in international markets.

CED finances part of the admissible expenses through multiyear agreements with ORPEXes; this amounts to about $3.8 million, or nearly 40% of all ORPEX income, taking into account the 19 ORPEXes funded by CED at the time of the evaluation (CED's contribution rises to 35% if the WTC budget is excluded). The Agency also enters into ad hoc agreements to contribute to some additional activities that arise in the course of the year and are deemed to be of value.

For these non-profit organizations, all government assistance put together should not exceed 90% of eligible costs. In any event, project promoters should normally bear at least 10% of the project's eligible costs.

In 2001, CERAC Inc. did an evaluation of the IDEA-SME program.[15] This evaluation noted in passing that the program "had achieved significant economic results in terms of employment and corporate profitability." It concluded, however, that it was "important for the follow-up/evaluation framework to be specified (...)."

2.9 MDER

The target clientele of the MDER programs is SMEs with 250 employees or less, as well as larger companies that do not need the type of services provided by ORPEXes (either because of their market knowledge or because they can afford to hire experts themselves).

The program's modus operandi is governed by TB 195073 of June 27, 2000, as amended by TB 195545 of November 21, 2000. Budgets are charged to the Sector Partnership Fund, component VI: Regional or sectoral export promotion service.

As a general rule, MDER contributes $60,000 a year to each ORPEX, for an annual cost of about $840,000, considering that 14 ORPEXes were being funded at the time of the evaluation. This funding is supplemented by CRD contributions (which vary according to the region) and Departmental contributions paid through the CRDs. The total cost to the Quebec government in 2001-2002 would therefore be around $1.9 million, which corresponds to just about 20% of ORPEXes' total income (the MDER contribution rises to 27% if the WTC budget is excluded).

[15] CÉRAC Inc., Summative evaluation of the IDEA-SME program, evaluation report, Agency action plan, November 2001.

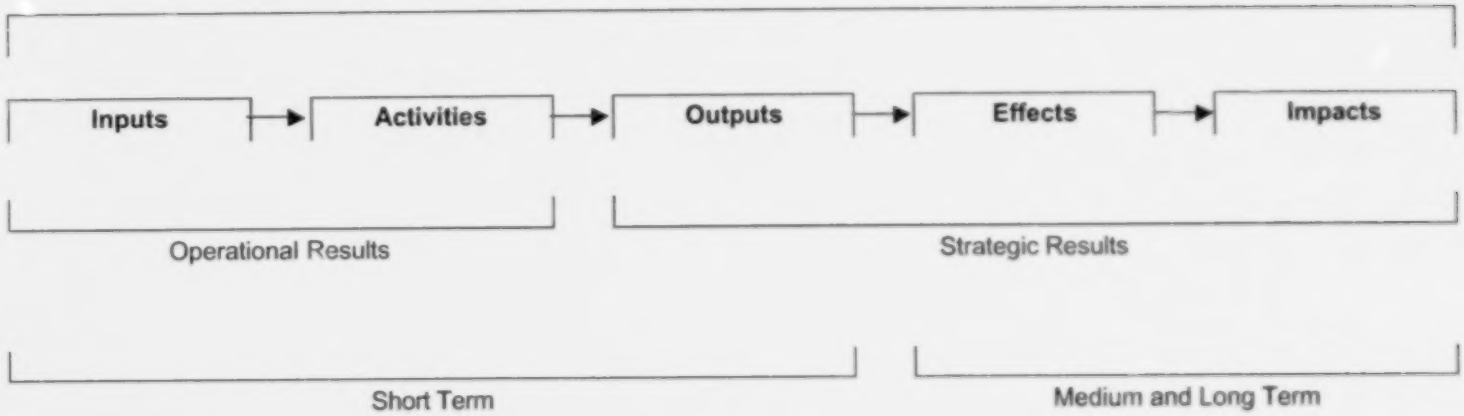
Program management

Increasingly, both governments are working according to the management practice known as "Results-based management" (RBM). ORPEX funding programs are no exception. Much has been written about that management mode over the last few years, but it may be useful to recall one of its essential characteristics: the Chain of Results. According to the theoretical chain of results for all activities, in government and elsewhere, inputs (that is, technical and financial resources) are transformed into activities through a combination of means and efforts. When these activities are organized, they generate an operational result.

Of course, the basic intention is not to organize activities but to produce outputs. It is however assumed that if these activities are organized, outputs will result that can then be associated with more strategic objectives.

These outputs are only a link in the chain of results, generally considered to be achievable in the short term, which is expected to generate immediate effects and possibly longer-term impacts. This is a process that may take an undetermined length of time. Still, the basic assumption is that if outputs are produced, they should help produce effects which will themselves contribute to longer-term impacts (see Figure 4.1). Evaluation of ORPEX programs can therefore be done using this outline based on the levels of production of outputs and effects, that is, strategic results.

Figure 4.1
ORPEX Funding Programs
Chain of Theoretical Results



3 REPORT ON ACTVITIES AND RESOURCES (THEME No. 1)

The first theme of the evaluation was a review of activities planned and carried out by ORPEXes over the last two years (2000-2001 and 2001-2002) . The Consultant therefore brought together all annual activity reports and audited financial reports in the case of NPOs who produce their own financial statements [16] to establish a database for reporting purposes.

Two tables were generated: one lists all activities while the other shows excerpts from the audited financial statements. The first table, as we shall see below, is not directly usable for this evaluation because there is a lack of consistency in parameters and indicators used by ORPEXes. The second table, more suitable for compilation, will be used hereafter. These tables are presented in the aggregate in this report but are the result of a compilation of information specific to each of the 22 ORPEXes. It is important to emphasize that ORPEXes' fiscal years do not correspond to governments' budget years in 15 cases out of 22. In addition, three ORPEXes with fiscal years ending in December had still not finished auditing their accounts for 2002. In order to obtain financial information on two consecutive years, we therefore used the results of the last two years received for the years 2000-2001 and 2001-2002.

3.1 Activities

The list of activities organized by ORPEXes is based on the nomenclature used at CED and MDER (Table 5.1). According to this nomenclature, services are divided into four categories:

- awareness activities;
- knowledge development;
- export advice;
- support for market penetration.

Theoretically, ORPEXes that receive contributions from CED make their half-yearly and yearly reports under those four categories. An analysis of these ORPEXes' activity reports indicates that the method is well understood, even though most of them have not modified their information and accounting systems to generate these reports. As a result, it is of course not

[16] The Laval and Quebec City ORPEXes do not produce separate financial statements and are therefore special cases.

possible to calculate standard costs per activity or sub-activity. In addition, when we want to classify an activity under one of the four categories, we find there is no consistent approach. For a one region, a visit to a business may come under the heading of "awareness activities" while another counts it as "export advice".

When the ORPEX also receives an MDER contribution, the base unit for reporting is not always specified. One may report the number of activities, another the number of hours devoted to the activity, while a third shares all of its human resources as a percentage of the time available Many other examples could be given, as this nomenclature is not well documented and no explanatory text exists setting out classification criteria for one category or another.

Table 5.1
Nomenclature of Activities

A. Awareness activities

- Exporting workshops
- Luncheon talks
- Individual meetings (pre-diagnosis, general information on exporting)
- Tours of company facilities
- Office meetings
- Information tools (newsletter, journal, website)

B. Knowledge development

- Specialized workshops and seminars (sectoral, geographic or thematic)
- NEXPRO training sessions
- Preparation for exploratory missions
- Organization of an export network or club.

C. Exporting advice

- Export diagnostics
- Information search on export strategies or plans
- Drafting of export or marketing plans
- Technical support for the implementation of export plans.

D. Support for market penetration

- Specialized information on markets
- NEBS
- Conduct of trade missions (including fairs and exhibitions)
- Reception of trade missions, trade commissioners or buyers
- Online registration or updates with WIN Export.

For the purposes of this evaluation, a table has been prepared giving figures gleaned from each ORPEX's annual reports. However, there was too much doubt about how to interpret the activity reports, so that the first results appeared inconsistent. The table was therefore sent to all the ORPEXes concerned with the request that they validate or amend the data in the table. The results were then collated and tables prepared for all ORPEXes.

Table 5.2 on the following page presents the list for the years 2000-2001 and 2001-2002. It also sets out the activities called for in the various basic agreements and the degree to which they have been accomplished.

As most of the activities were not accounted for on the same basis, it is almost impossible to check whether the planned activities were in fact carried out. There are a number of headings where either no activity is recorded or else it is accounted for in terms of the number of participants or businesses or the number of hours commission employees spent on the activity. Moreover, there are some incongruous results of the accounting exercise that can only be explained by a misinterpretation of the definitions or purport of the various headings. As a result, this exercise did not achieve the anticipated results and will have to be redone when the formats are more standardized. On the basis of these reports, therefore it is impossible to determine whether the agreements signed by ORPEXes were complied with, at least in terms of activities completed vis-a-vis those that were planned.

Though this observation is true in the aggregate, the originators of the evaluation can still individually analyse the performance of most of the ORPEXes using the individual parts of the database.

Table 5.2
Summary of Activities Planned and Carried Out, 2001 and 2002

ACTIVITIES BY TYPE	2000-2001 Planned	2000-2001 Carried out	2000-2001 Rate of achievement	2001-2002 Planned	2001-2002 Carried out	2001-2002 Rate of achievement
AWARENESS ACTIVITIES						
Number of exporting workshops	24	63	263%	21	60	286%
Number of companies consulted	821	298	36%	242	1,234	510%
Number of participants	708	1,827	258%	125	1,372	1098%
Number of luncheon talks speaker	25	49	196%	27	77	285%
Number of companies consulted	3,262	2,062	63%	2,145	3,230	151%
Number of person/days	3,115	1,012	32%	3,701	2,114	57%
Number of individual meetings	530	1,010	191%	510	1,240	243%
Number of tours of company facilities	322	438	136%	270	675	250%
Number of office meetings	35	91	260%	35	124	354%
Number of copies of newsletter sent	14,479	34,504	238%	118,003	59,498	50%
Frequency of distribution	46	61	133%	49	64	131%
SKILLS DEVELOPMENT						
Number of specialized workshops or seminars	54	92	170%	76	283	372%
Number of companies consulted	2,205	652	30%	6,416	4,003	62%
Number of participants	1,905	1,869	98%	6,722	2,259	34%
Number of person/days	0	8		0	8	
Number of hours	0	24		0	24	
Number of NEXPRO-type training sessions	10	19	200%	18	15	86%
Number of companies consulted	50	161	322%	70	44	63%
Number of participants	0	49		0	43	
Number of hours	1,800	650	36%	2,040	200	10%
Number of companies prepared for a trade mission	103	413	401%	135	370	274%
Number of hours of preparation	450	660	147%	600	930	155%
Number of export clubs created (export network)	4	11	314%	6	9	164%
Number of members	15	121	807%	21	124	590%
Number of person/days	0	36		19	21	111%
EXPORT ADVICE						
Number of export diagnostics done	231	249	108%	159	456	288%
Number of companies consulted	60	293	488%	51	377	739%
Number of person/days	0	5		0	0	
Number of information searches done for an export plan (new exporter)	184	328	178%	233	435	187%
Number of companies consulted	2	121	6050%	46	109	237%
Number of person/days	2	62	3100%	24,002	2	0%
Number of export or marketing plans drafted	54	143	265%	53	134	253%
Number of companies consulted	26	69	265%	17	52	306%
Number of hours	400	440	110%	430	870	202%

Table 5.2 (cont'd)
Summary of Activities Planned and Carried Out, 2001 and 2002

ACTIVITIES BY TYPE	2000-2001 Planned	2000-2001 Carried out	2000-2001 Rate of achievement	2001-2002 Planned	2001-2002 Carried out	2001-2002 Rate of achievement
Number of technical assistance calls	89	670	753%	189	955	505%
Number of companies	22	318	1445%	85	245	288%
Number of hours	685	719	105%	755	751	99%
Number of support activities for the implementation of export plans	134	158	118%	92	140	152%
Number of companies consulted	4	42	1050%	61	173	284%
SUPPORT FOR MARKET PENETRATION						
Number of market information searches (diversifying exporter)	75	319	425%	140	537	384%
Number of hours	0	190		0	90	
Number of trips with companies on a mission	69	113	164%	104	137	132%
Number of companies consulted	702	120	17%	229	330	144%
Number of person/days	0	16		0	4	
Number of participants	0	231		26	134	515%
Number of trade missions organized	60	104	173%	80	124	155%
Number of companies consulted	56	267	477%	58	235	405%
Number of participants	170	374	220%	196	533	272%
Number of person/days	0	10		0	0	
Number of hours	0	1,800		0	1,800	
Number of trade missions, trade commissioners or buyers hosted	20	45	225%	30	58	193%
Number of companies consulted	18	120	667%	28	101	361%
Number of participants	9	286	3178%	135	257	190%
Number of online registrations or updates with WIN Export	137	323	236%	171	480	281%
Number of person/days	0	4		0	0	

In addition, leaving aside some less significant categories and the rate of completion of activities, it is possible to establish a kind of profile of the ORPEXes according to the prevalent nomenclature:

A) Awareness activities

ORPEXes organize some 60 export awareness workshops, reaching about 20 people each time or a total of more than 1200. They also organize small luncheon or supper talks on export-related topics. Each of these events is attended by an average of 40 people. The speakers are often exporters who report on their successes and failures. ORPEX employees regularly meet with entrepreneurs interested in exporting and give them general advice. ORPEX publishes a journal or newsletter, with a circulation of 2,700 copies, entirely devoted to exports.

B) Knowledge development

When entrepreneurs wish to go further, ORPEXes organize more specialized training workshops. Close to 150[17] of these workshops were held in 2001-2002, with an average attendance of about 15 people, which makes a total of 2,250 people. Some 15 NEXPRO-type training sessions[18] were organized and a number of trade missions were prepared. Some ORPEXes have also created exporters' clubs, groups of entrepreneurs interested in further brainstorming and taking advantage of others' experience.

C) Exporting advice

This category of activity is mainly to support and advise exporters. The commissioner often helps the entrepreneur to do a diagnostic of his or her business in order to identify its real export capacity. Most often, the tools used are provided by governments. ORPEXes' specialized services look for information they can use in drawing up an export plan and often draft the plan themselves for a fee.

(D) Support for market penetration

[17] Not including one ORPEX that claimed to have organized 127.
[18] A training program for a new exporters based on group workshops and individual follow-up sessions.

When entrepreneurs are determined to enter a particular market, they can get very precise information on the technical and economic characteristics of the product on that market. The commissioner or his or her employees occasionally accompany the entrepreneur on trade missions, especially in the case of a first mission. In 2000-2001, ORPEXes took part, to different degrees, in the organization of 104 trade missions, as compared to 124 the following year. These missions are generally made up of 3 or 4 persons from 2 or 3 different companies. Some ORPEXes have these missions sponsored by experienced exporters that have already made a breakthrough in those markets.

3.2 Human Resources

A count was made of all ORPEXes' workforce in order to get a better idea of the number of specialists working within the network. It was observed that 80 people work full time and 14 more part time in the 19 ORPEXes that answered this question. If we extrapolate the average number of full- and part-time employees at ORPEXes other than the WTC, that is, 2.9 and 0.7 respectively, our total staff complement would be: 88 full time and 16 part time, so some one hundred in all.

Table 5.3
Number of Employees per ORPEX
2001-2002

ORPEX	Full time	Part-time	Total
Bureau de prom.des exp.d'Abitibi-Témiscamingue	2	1	3
Chaudière-Appalaches Export	4	1	5
Chambre de Commerce et de l'Industrie de l'Est de l'Île de Montréal	5	1	6
Club Export@ction (Haut-Richelieu)	3	1	4
Club Export des Cantons-de-l'Est	3		3
CORPEX Côte-Nord	2		2
Corpex Centre-du-Québec	2		2
Corporation Mauricie International	2	5	7
CORPEX Bas-St-Laurent	2	3	5
Estrie International 2007	5		5
Lanaudière International	2		2
Laurentides International	ind.		ind.
Laval Technopole	2		2
Montérégie International	ind.		ind.
Outaouais International	3	1	4
SMMGIM (Gaspé)	2	1	3
SERDEX (Lac-St-Jean)	5		5
Sery (Service d'exportation Richelieu-Yamaska)	4		4
SDE Longueuil	5		5
Société de l'expansion des exportations du Suroît	2		2
Pôle Québec/Chaudière/Appalaches	ind	ind	ind
WTC	25		25
Total	80	14	94
Average without WTC	2.9	0.7	3.6

3.3 Financial Resources

According to our calculations of the government contributions made based on the financial statements, CED paid out some $3.0 million in 2000-2001 and $3.8 million in 2001-2002 for the 19 subsidized ORPEXes, including $1.3 million for the Montreal WTC, so that the average for the other 18 ORPEXes was $98,456 in 2000-2001 and $136,991 in 2001-2002.

Quebec government funding (MDER and CRDs) would have been about $1.3 million in 2000-2001 and $1.9 million in 2001-2002, for an average of $103,492 in 2000-2001 and $134,838 in 2001-2002, slightly less than the CED contribution.

When both sources are combined, the average government contribution was $148,457 in 2000-2001 and $207,313 in 2001-2002. In all, the cost of both programs rose from $4.4 million in 2000-2001 to $5.6 million in 2001-2002.

Public financing was also provided by other departments, municipalities and other regional organizations—these sources are known collectively as "other government sources"—to the tune of $859,066 in 2000-2001 and $1,097,257 in 2001-2002.

Funding "from other sources", which can be considered to be ORPEXes' self-financing, belonged to the following categories:

	2000-2001 ($)	2001-2002 ($)
Consultation fees	321,149	345,769
Membership dues	26,700	24,300
Sponsorships	20,835	39,616
Interest income	20,589	30,180
Other [1]	414,445	455,843
Subtotal	803,718	895,708
Mandates/activities/missions	1,760,604	1,706,975
Total	2,564,322	2,602,683

(1) Including some $300,000 in royalties to the WTC

These amounts of more than $2.5 million a year are respectable, but it should be recalled that much of this comes from government grants for the organization of ad-hoc missions included in the "mandates/activities/missions" category. These missions probably make only a slight contribution to self-financing, as the expenses incurred are of the same order of magnitude as the income. Accounting information available to us does not give a clear idea of the net contribution nor even whether it is positive or negative. If we exclude them, however, the real income that can be considered to be self-financing becomes $895,708 and $803,718 for 2000-2001 and 2001-2002, or about 10% of total income.

The totals of all income and expenses for 2000-2001 and 2001-2002 are presented in tables 5.4 and 5.5. They are respectively $7.8 million and $9.3 million, an increase of $1.5 million on an annual basis, corresponding to growth of nearly 20%.

For 2000-2001 and 2001-2002, if we add up income from all sources, we obtain the following values and percentages according to the different sources.

Sources	2000-2001		2001-2002	
	$	%	$	%
CED contribution	3,032,203	39	3,761,832	40
MDER contribution	1,345,391	17	1,887,738	20
Other public sources	859,066	11	1,097,257	12
Other income (self-financing)	803,718	10	895,708	10
Mandates/activities/missions	1,760,604	23	1,706,975	18
Total	7,800,982	100	9,349,510	100

Altogether, ORPEXes' financial situation is in balance, as operating surpluses of nearly $185,000 were achieved in 2001-2002 with income of some $9.4 million and expenses of $9.2 million. Four ORPEXes were in a deficit position.[19]

[19] For the cities of Quebec City and Laval, proceeds and expenses in ORPEXes' financial statements were adjusted so as to eliminate the surplus or deficit.

Table 5.4
ORPEX income and expenses – 2000-2001

	ORPEX	Total income	Total expenses	Net results
1	Bureau de prom.des exp.d'Abitibi-Témiscamingue	244,130	183,312	60,818
2	Chaudière-Appalaches Export	444,804	497,831	-53,027
3	Chambre de Commerce et de l'Industrie de l'Est de l'Île de Montréal	129,046	99,382	29,664
4	Club Export@ction (Haut-Richelieu)	133,509	114,353	19,156
5	Club Export des Cantons-de-l'Est	152,629	142,933	9,696
6	CORPEX Côte-Nord	147,602	122,349	25,253
7	Corp. de dév. international Centre-du-Québec	220,191	213,082	7,109
8	Corporation Mauricie International	468,742	391,394	77,348
9	CORPEX Bas-St-Laurent	241,242	229,843	11,399
10	Estrie International 2007	349,331	425,197	-75,866
11	Lanaudière International	216,954	218,936	-1,982
12	Laurentides International	289,415	294,213	-4,798
13	Laval Technopole	270,090	270,090	0
14	Montérégie International	143,943	123,906	20,037
15	Outaouais International	0	0	0
16	SMMGIM (Gaspé)	443,209	378,087	65,122
17	SERDEX (Lac-St-Jean)	108,203	113,026	-4,823
18	Sery (Service d'exportation Richelieu-Yamaska)	335,024	345,112	-10,088
19	SDE Longueuil	446,556	390,643	55,913
20	Société de l'exp.des exportations du Suroît	132,165	126,487	5,678
21	Pôle Québec/Chaudière/Appalaches	428,587	428,587	0
22	WTC	2,455,610	2,416,969	38,641
	Total	7,800,982	7,525,732	275,250

Table 5.5
ORPEX income and expenses 2001-2002

	ORPEX	Total income	Total expenses	Net results
1	Bureau de promotion des exportations d'Abitibi-Témiscamingue	568,317	507,204	61,114
2	Chaudière-Appalaches Export	432,044	412,582	19,462
3	Chambre de Commerce et de l'Industrie de l'Est de l'Île de Montréal	69,981	87,603	-17,622
4	Club Export@ction (Service de soutien à l'exportation Haut-Richelieu)	176,256	170,925	5,331
5	Club Export des Cantons-de-l'Est	228,546	223,764	4,782
6	CORPEX Côte-Nord	196,783	186,622	10,161
7	Corp. de dév. international Centre-du-Québec	355,790	350,841	4,949
8	Corporation Mauricie International	626,874	589,764	37,110
9	CORPEX Bas-St-Laurent	438,250	378,006	60,244
10	Estrie International 2007	460,880	474,973	-14,093
11	Lanaudière International	251,497	241,824	9,673
12	Laurentides International	350,725	358,147	-7,422
13	Laval Technopole	414,826	414,826	0
14	Montérégie International	282,464	261,194	21,270
15	Outaouais International	382,570	374,298	8,272
16	SMMGIM (Gaspé)	324,309	363,130	-38,821
17	SERDEX (Lac-St-Jean)	210,848	172,182	38,666
18	Sery (Service d'exportation Richelieu-Yamaska)	318,058	298,902	19,156
19	SDE Longueuil	426,049	402,688	23,361
20	Société de l'expansion des exportations du Suroît	167,736	164,292	3,444
21	Pôle Québec/Chaudière/Appalaches	380,582	380,582	0
22	WTC	2,286,124	2,350,423	-64,299
	Total	9,349,509	9,164,772	184,738

4 EVALUATION OF SPIN-OFFS AND CLIENT SATISFACTION (THEME No. 2)

The following statistics are taken from the telephone survey done in June 2003 of ORPEXes' client businesses. In all, 301 questionnaires were filled out, including 261 by companies that were already exporting and 40 by companies that had still not begun to export although they were interested in doing so. Considering the size of the sample, all of the results are statistically representative[20] of all companies that took part in one or other of the activities organized by ORPEXes over the last few years.

The survey objectives were to get a better idea of the characteristics of these companies, to gauge their level of satisfaction and, ultimately, to calculate the ORPEXes' contribution to the increase of income and employment from exports.

According to the results of the 2003 survey, service users were similar to those of previous years. When the same indicators are used, they give virtually identical results in 1999 and in 2003. However, the results of the two surveys cannot be systematically compared, for both the method (questionnaire sent through the mail as opposed to a telephone survey) and the samples (selection by the Commissioners as opposed to random selection from lists drawn up by the Commissioners) were different.

4.1 Client Characteristics

Employees (Table 6.1)

More than 94% of the companies surveyed have fewer than 200 employees, compared to 96% in 1999. ORPEX clients therefore did correspond to the clientele targeted by the programs, that is, SMEs with fewer than 250 employees.

Companies with more export experience had, on the average, more employees than the others. Thus, all of the companies that had been exporting for less than a year (100%) had fewer than 50 employees, whereas the corresponding figure was 89% for those that had been exporting for

[20] Confidence threshold is 95%.

more than one year but less than three and 65% for those that had been exporting for more than three years.

Table 6.1
Workforce

	2003		1999
	Number	%	%
1-4	52	17%	14%
5-19	113	38%	37%
20-49	70	23%	29%
50-199	48	16%	17%
200-499	10	3%	2%
500 +	6	2%	2%
Dnk/dna	2	1%	
Total	301	100%	100%

Total Revenues (table 6.2)

Fifty-four percent of companies had annual revenues of less than $2 million. In fact, nearly 87% had revenues of less than $20 million, confirming their SME status. These statistics are very similar to the results obtained in 1999.

Table 6.2
Companies' Revenues

	2003		1999
$	Number	%	%
< $500,000	69	23%	23%
between $500,000 and $2 million	93	31%	30%
between $2 and $5 million	52	17%	21%
between $5 and $10 million	29	10%	12%
between $10 and $20 million	17	6%	5%
$20 million +	19	6%	6%
Dnk/dna	22	7%	3%
Total	301	100%	100%

Area of Activity (Table 6.3)

Sixty-five percent of the companies are in the processing or manufacturing sector, and 22% in services. In comparison with the CRIQ data already given, the manufacturing sector is "overrepresented" in the sample, which does however correspond to the characteristics of Canadian foreign trade, which is predominantly in goods rather than services.

Table 6.3
Area of Activity

	Survey		CRIQ
	Number	%	%
Natural resource development	17	6%	
Manufacturing or processing	195	65%	45%
Services	67	22%	28%
Wholesale trade			27%
Other	22	7%	
Total	301	100%	100%

Last Year Commission Services Were Used (Table 6.4)

Most clients are new users, as 86% say that they received services in 2002 and 2003 and 92% in 2001, 2002 or 2003. In view of the answers to the other questions, these are probably export-aware companies or companies that already export and are interested in improving their market knowledge. It should be noted, however, that because the sample is of ORPEX clients and not the whole SME population, it is only normal that the companies that do not use ORPEX services, or no longer do so, are not represented in the survey results.

Table 6.4
Last Year Commission Services Were Used

Year	Number	%
2003	176	58%
2002	83	28%
2001	18	6%
2000	8	3%
1999	10	3%
Dnk/dna	6	2 %
Total	301	100%

Export Experience (Table 6.5)

Of the 301 entrepreneurs surveyed, 40 had not yet begun to export, while 149, or 50% of total, had been exporting for at least three years already (or since before the 1999 survey). Today, they still feel the need for commissions' activities and services. "New exporters", those that have been exporting for less than three years, and have therefore been recently brought in by the Commissioners, accounted for 108 of the total population of companies, or 36%.

Table 6.5
Export Experience

	Number	%
less than 1 year	28	9%
between 1 and 3 years	80	27%
3 years +	149	50%
does not yet export	40	13%
Dnk/dna	4	1%
Total	301	100%

This table will serve as a reference in this report for establishing exporters' experience. Some data are presented separately depending on companies' years of experience.

Export Revenues (Table 6.6)

Forty-eight percent of companies earn less than 25% of their revenues from exports outside Quebec. At least 27%, however, earn between 50 and 100% of their revenues from exports, which are therefore certainly essential to their survival.

Table 6.6
Export Revenues

	Number	%
less than 25%	126	48%
between 25 and 50%	49	19%
between $50,000 and 75%	37	14%
between $50,000 and 100%	35	13%
Dnk/dna	14	5%
Total	261	100 %

Export Destinations (Table 6.7)

Of the 235 companies that answered this question, 37% (88) exported only to one market, either the other provinces of Canada, the United States or another country. Twenty-three percent (55) exported to 2 of these 3 markets, and 39% (92) exported to all three. Diversified exporters (with more than one market) therefore represent more than 60% of companies served by the commissions.

When these data are combined, we see that the rest-of-Canada market is the most popular, with 70% of all companies (165), followed by the USA market into which 68% of them say they export.

Table 6.7
Export Destinations

Destination	Number	%
Other Canadian provinces only	38	16%
USA only	26	11%
Other countries only	24	10%
Two of these markets	55	23%
Three of these markets	92	39%
Total	235	100%

4.2 Interest and Satisfaction of Business

Services rendered (Table 6.8)

Awareness-type activities are those most often mentioned by entrepreneurs when asked what services they have received.

Table 6.8
Services Rendered (of 301 respondents)

Type of services	Number	%
Luncheon/supper talks	193	64
Newsletter	192	63
Individual meetings	172	57
Exporting workshops	160	53
Specialized workshops or seminars	153	51
Market information searches	110	37
Preparation for trade missions	96	32

Most of these clients have attended luncheon/supper talks, read newsletters, met the Commissioner or his or her delegate, and taken part in awareness workshops or seminars or more specialized ones on exporting.

Services Desired (Table 6.9)

It is interesting to note that the services rendered are also those most desired by clients.

Table 6.9
Services Desired (of 301 respondents)

Type of services	Number	%
Individual meetings	172	57
Specialized workshops or seminars	167	55
Information searches	165	55
Newsletters	162	54
Luncheon/supper talks	158	52
Exporting workshops	146	49
Technical support for implementation		
Preparation for trade missions	137	46

All of the services entrepreneurs would like to receive in the "awareness" and "information" categories.

Most useful service

When users are asked which service they found most useful among those they had received, 16% answered "the individual meetings", 12% "the trips with companies on a mission" and 11% "the luncheon/supper talks".

Satisfaction with Services Rendered (Table 6.10)

The great majority of entrepreneurs are satisfied with the services they received from ORPEX advisers. They particularly appreciate the advisers' courtesy and professionalism and the quality of their services. Fewer, however, are "entirely satisfied" with their ability to meet company needs and the accessibility of the service. It is possible that this admittedly not very severe dissatisfaction is the result of a demand for more focused services by entrepreneurs who are farther along the continuum from inexperienced to experienced exporters.

Table 6.10
Satisfaction with Services Rendered

	Entirely satisfied	Moderately satisfied	Somewhat satisfied	Not at all satisfied	Dnk/dna
	%	%	%	%	%
Accessibility of services	67	28	1	1	3
Ability to respond to needs	60	32	3	2	4
Turnaround time to respond to requests	70	21	1		7
Staff courtesy	93	4			3
Professionalism of adviser	85	11			4
Quality of service in general	78	18	1	1	3

When we analyse these results on the basis of the "Export Experience" variable, we see that satisfaction with accessibility of service and the ability to respond to needs declines with the number of years of experience. In other words, the longer the companies have been exporting the less likely they are to be satisfied with the services rendered.

Similarly, almost all the companies that indicated they were "somewhat" or "not at all" satisfied with any of the services were among those that had been exporting from more than three years.

4.3 Impact on Business

Company Behaviour (Table 6.11)

Entrepreneurs surveyed were read a series of statements about their satisfaction with the impacts of the services rendered. The statements dealt with such things as financial aspects, information, training, risks and logistical support.

Table 6.11
Company Behaviour

Statements	Entirely in agreement %	Moderately in agreement %	Somewhat in agreement %	Not at all in agreement %	Dnk/dna %
The services received enabled me to reduce the costs of my exporting activities.	15	34	10	23	19
The services received enabled me to better evaluate the profitability of my exporting activities.	31	30	7	16	16
The services received made me more aware of export opportunities.	59	23	4	8	6
The services received gave me access to pertinent information on the various export assistance programs and services provided by governments.	54	28	5	9	4
The services received gave me access to pertinent information on what I needed to do in order to export.	50	30	6	8	6
The training activities were relevant to my export endeavours.	48	28	5	5	14
The services received made me better prepared for exporting (marketing plan, etc).	54	24	6	6	10
The services received enabled me to reduce the risks in my exporting activities.	40	30	7	11	13
The services received gave me logistical support for my export activities.	36	31	9	10	14

Only 15% were "entirely in agreement" with the statement "the services received enabled me to reduce the costs of my exporting activities." Similarly, only 31% were "entirely in agreement" with the following statement: "the services received enabled me to better evaluate the profitability of my exporting activities." Indeed, these last two statements were the ones that had the largest number of answers in the category "not at all in agreement." A finer analysis shows that the more experienced exporters are more apt to agree with both statements. Altogether, however, this theme seems the weakest or, in any case, the one that is perceived as the weakest by clients.

The information and awareness themes, on the other hand, are those on which there is the greatest agreement: 59% said they were "entirely in agreement" with the statement "the services received made me more aware of export opportunities" and 54% are also "entirely in agreement" with the statement "the services received gave me access to pertinent information on what I needed to do in order to export." As a general rule, the less experienced the exporter, the more likely they were to be satisfied with the services rendered in terms of information and awareness.

As regards risks and logistics, opinions were more divided, and indeed the logistical support provided was sometimes seem to be of doubtful utility.

A more comprehensive measurement of client satisfaction is found in the use of other organizations to help with export projects. It is logical to suppose that the more a client uses the services of other organizations, the less satisfied it is with the ORPEXes. In fact, 42% indicated that they did make use of other organizations' services, whereas 57% said they used only ORPEX services. The client's export experience made little difference to this statistic. The government organizations most often cited were CED (54%), MDER (46%) and the CLDs (25%). More than 32% mentioned a "private organization".

Increase in exports (Table 6.12)

The services received from Commissioners enabled 91 of the 261 companies that were already exporters (or 35% of them) to increase their level of exports. In contrast, more than 60% felt that the Commissions' actions had had no impact, as exports had remained stationary or, where they did increase, the respondents felt that the Commissioners could not take credit.

Table 6.12
Increase in Exports

	Number	%
Yes	91	35%
No	159	61%
Dnk/dna	11	4%
Total	261	100%

Size of increase

Of the 91 companies that said the commissions' services had helped increase their exports, only 67 were able to quantify that increase. It was placed at between 1% and 100%, with an average of 35%.

Destination of new exports

The most often mentioned destinations of new exports were, in order of priority, the USA (48%), the other provinces of Canada (23%), South America (unspecified countries) (9%), Japan (8%), France, (8%) and Africa (unspecified countries) (8%). In fact, it seems that although most companies were exporting mainly into the rest-of-Canada market, the Commissioners' actions were mainly directed toward the US market, since close to half of the new exports (48%) went to that market, more than double those that went into the Canadian market (23%).

Forecast increases

Forty-five percent of the entrepreneurs were "entirely in agreement" with the following statement: "the services received will enable me to increase my exports over the next few years." These entrepreneurs therefore think that the commissioners' activities will produce results (effects) in the future. The less experience they have, the likelier they are to think so. Thus, 89% of companies that had been exporting for less than a year are entirely or moderately in agreement with the statement, as against 85% of those that had been exporting for between one in three years and 70% of those that had been exporting for more than three years.

4.4 Impact on Employment

Impact on Employment (Table 6.13)

Commissions' activities and services had impacts on employment and earnings. Of the 301 companies in the sample, 49 said they had added jobs, 97 said they had saved them, 133 said they had neither created nor saved any jobs, while 40 companies were not yet exporters and 5 could not say or did not respond. Twenty-three companies said they had both created and saved jobs.

With respect to the whole sample overall, the following statistics emerged: 8.6% of the companies said they had created full-time jobs, 24.6% said they had saved jobs, and 7.6 per cent said they had both created and saved jobs. As regards the other companies, 44% said they had neither created nor saved any jobs, and 13% were not yet exporters at the time of the survey.

Table 6.13
Impact on Employment

	Number	%
Created jobs	26	9%
Saved jobs	74	25%
Created and saved jobs	23	8%
Neither created nor saved jobs	133	44%
Are not yet exporters	40	13 %
Dnk/dna	5	2%
Total	301	100%

Jobs Created or Saved (Table 6.14)

The 45 companies that added jobs say that on the average they created 5.4 full-time and 2.9 part-time jobs; Or, in all, 241 full-time and 72 part-time jobs[21].

[21] Four companies were unable to say how many jobs had been created and 15 could not say how many had been saved.

Table 6.14
Jobs Created or Saved

		Number of companies	Average number of jobs	Full-time	Part-time	Total
Created	Full-time	45	5.4	241		241
	Part-time	25	2.9		72	72
Saved	Full-time	82	9.2	753		753
	Part-time	26	6.3		164	164
Altogether				994	236	1230

The jobs saved were more numerous: 753 full-time and 164 part-time. In all, including part-time jobs, there were 1230 jobs created or saved at the companies sampled.

Use of Consultants' Services (Table 6.15)

On the average, companies hired consultants for less than $10,000 worth of services per year. Indeed, 54% of them used less than $5,000 worth of consultants' services.

Table 6.15
Use of Consultants' Services

Amount spent on consultants' services	Number	%
Less than $5,000	162	54
Between $5,000 and $9,999	70	23
Between $10,000 and $49,999	35	12
Between $50,000 and $99,999	5	2
$1,000,000 and up	4	1
Dnk/dna	25	8
Total	301	100

5 ASSESSMENT OF AGREEMENTS (THEME NO. 3)

During the individual meetings with the commissioner and the selected managers, the Consultant raised for discussion a number of themes that had previously been validated with the follow-up committee. These themes were taken from the interview grids in Appendices 2 and 3 and repeated in the summary evaluation grid in Appendix 4. The interviews were conducted in semi-directed mode, that is, the discussion moved from one thing to another depending on the interviewee's interest or the dynamic of each meeting. On average, the interviews lasted two hours, during which time the Consultant took notes on what he or she deemed to be the gist of the participants' remarks. No compilation, statistical or otherwise, was made of the results.

A certain number of themes and concerns came up repeatedly, while others were mentioned by only a few. These themes are dealt with in the following paragraphs, with occasional comments by the Consultant.

5.1 Effectiveness of Follow-up Mechanisms

The most usual follow-up mechanism for ORPEX agreements is the performance measurement framework. All agreements signed with CED contain an Appendix E on "continuous performance measurement". Within MDER, this framework is increasingly used: it clearly defines how many activities must be organized, at what cost, how often, and what audience is to be reached. All activity reports consulted therefore deal with the activities organized in the light of the inputs used. These are the results expected in the short term.

Few ORPEXes report on results expected in the medium term and in any case none has implemented an internal information system whereby it could efficiently produce such reports—[22]. Within CED, ORPEX reports are analysed twice yearly by managers, then passed to the directorate, which publishes a report on the Department's performance. At MDER, the regional manager has the requisite latitude to assess whether actual activities, as presented in the year-end report, warrant a continuation of the government contribution.

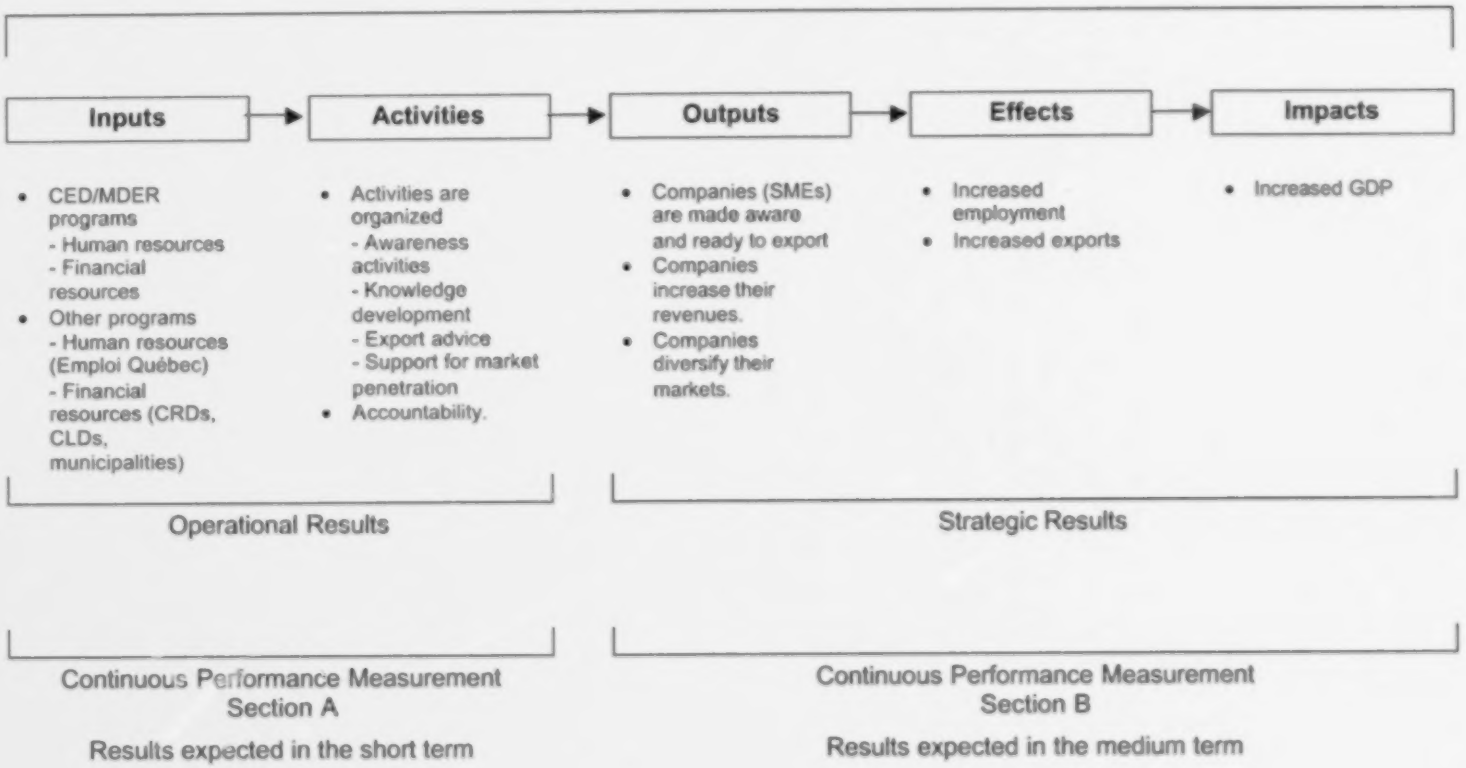
[22] Except for the WTC, whose agreement, however, was for five years.

Consultant's comment

The performance measurement framework does provide a clear definition of the expected results. The results are divided into two categories: results expected in the short term and in the medium term. Despite the name, the framework's indicators do not relate directly to performance but rather to the activities to be organized. Thus, in a standard agreement, "expected short-term results" will contain a series of activities in accordance with the nomenclature in use. The contents of the section titled "expected medium-term results" are closer to the outputs that would normally be expected of ORPEXes; however, little information is disseminated or even collated on these outputs, which in any event do not occur during the term of the agreements. And yet, this is actually the level at which government managers should follow up ORPEX performance, the level of strategic rather than operational results.

Figure 7.1 shows what we perceive as the chain of results in the context of performance measurement. As you can see, such traditional activities as luncheon talks, workshops, meetings with companies or tours of their facilities, etc, have as their main purpose (outputs) making companies aware of export opportunities, increasing their export revenues or diversifying their markets.

Figure 7.1
ORPEX Funding Program
Chain of Results



ORPEXes should therefore seek to produce outputs (defined in terms of the number of companies), while the result of these outputs—their effect—would be to increase exports and employment. The basic assumption is that if this condition is met, economic agents' GDP (or earnings), in turn, will increase, and this will be the program's impact. At that level, the means to be used have to be macroeconomic ones and variations in the level of exports can be explained by a number of factors beyond the control of regional organizations. These would include, for example, the exchange rate or the economic situation in the destination countries. The farther we go in the chain of results, the more diffuse the ORPEXes' contribution becomes and the more difficult it is to measure.

In addition, it must be understood that the period during which medium-term results may be expected does extend beyond the term of the agreement—generally three years—and that this may create a problem of consistency and may explain why ORPEXes and their managers are all somewhat short term oriented.

5.2 Complementarity and Duplication

7.2.1 Presence of Two Funding Sources

In general, the fact that there are two sources of funding for particular ORPEXes has not led to any bidding war by commissioners, who are in any case well aware that government managers not only sit on most of the boards of directors, as observers, but also have regular discussions among themselves. In the regions, companies are known to the departments' regional offices, which manage all the government programs.

Consultant's comment

It is possible that some ORPEX activities (for example, a trade mission or promotional activity) are simultaneously funded by both programs and that as a result, the ORPEX in question has a surplus. This surplus would then appear in the financial statements as income from a government contribution for, possibly, as a set-off against the cost of other activities. No sign of this was found in the financial statements of the 22 ORPEXes, but in any event, double funding does not appear to be of great significance.

Dual funding sources may also cause some orientation and follow-up problems on occasion. Thus, according to the Quebec government's strategy document, the rest of Canada would be considered a "priority country" in applying an evaluation grid for the best business opportunities, immediately after the United States. Could an ORPEX prioritize that territory and still receive federal grants? Of course, for many Quebec SMEs the Canadian market is a springboard toward other markets and the ultimate result should be in increase in exports. However, in the short and medium term, these apparently contradictory objectives could make it more difficult to integrate or co-ordinate programs.

7.2.2 Ad hoc agreements

As things now stand, managers sign basic agreements with ORPEXes for a three-year term. Those agreements call for a series of activities and objectives to be met for each year, with appropriate budgets. In reality, it is not possible to plan and provide for everything, for both human resources and the economic situation are constantly changing and creating new opportunities to be grasped. Managers and commissioners appreciate the flexibility of ad hoc agreements, which enable them to adjust to changing situations without affecting the orientations of the basic agreements.

Consultant's comment

According to the latest information available, there were some fifteen ad hoc agreements active in 2001-2002, but six of them had been signed by a single ORPEX; this seems a bit excessive. With that exception, ad hoc agreements are being properly used and should remain a tool for managers to use.

7.2.3 Visibility Protocol

Appendix D of the CED agreements deals with the "Visibility Protocol", which requires a federal government presence, and in particular CED representatives, at activities and events organized by the signatory, as well as acknowledgement of CED in the ORPEX's communications vehicles. Virtually all managers and commissioners agree that these requirements are being complied with and do not cause any real operational problems in the field.

Consultant's comment

Though the requirements of the Visibility Protocol are not having much impact, this may not be true of another section of the Act respecting the Ministère du Conseil exécutif, *which states that cities, towns and municipalities, public agencies and legal persons to which the Quebec government contributes over one-half of the financing shall not "enter into any agreement with another government in Canada, or with a department or agency of any such government" without the prior written authorization of the Minister.*[23] *Laval and Quebec City, and probably other ORPEXes with Quebec government grants, may have to request such authorization.*

5.3 Choice of Subsidized Activities

Subsidized activities are all found at one level or another within the Nomenclature of Activities, which, despite its lack of clarity, is well accepted and used in the community. Commissioners know each other, take part in the same training and information sessions, and meet at the assemblies and meetings of RECOME X committees, so they are well aware of each other's successes and failures.

[23] Chapter M-30, *Act respecting the Ministère du Conseil exécutif*, section 3.12.

Trade missions that are broadly criticized by government managers ought to be looked at more thoroughly through economic studies before they are completely rejected or their organization is substantially modified. In the short term, it is impossible to gauge the contribution of each party, and there is probably room for a number of types of mission.

5.4 Self-financing

According to the Quebec government's Treasury Board, the combined funding from both levels of government must not exceed 80% of ORPEXes' total funding except in the cases of Abitibi-Témiscamingue, the North Shore and the Gaspé–Magdalen Islands, where the permissible maximum is 85%.

Most ORPEXes and their managers see the obligation to self-finance to the extent of 20% (or 15% as the case may be) as at best a waste of time and at worst a distortion of their mandate. All of them agree that a certain number of services should be charged for, but not at prohibitive prices. It is generally thought that the rates should be set at a level that turns away triflers without discouraging companies that may still be hesitant. The Commissioner should not, as seems to be the pattern in some regions, become a funding broker, more concerned with fundraising than with the services to be provided to entrepreneurs.

Positions on this obligation to self-finance vary depending whether one is an ORPEX official or a government manager. The arguments in favour of self-financing are as follows:

- Public funds are limited and must go where they are most useful.
- The rate charged is a good indication of demand. In fact, self-financing would act as a deterrent, weeding out the least interested entrepreneurs.
- Self-financing gives ORPEXes more administrative autonomy and makes them more independent of the various levels of government.

The arguments against it are:

- Specialized resources employed by ORPEXes would spend a good part of their time looking for funding rather than promoting exports.
- There is a limit to companies' ability to pay, particularly microbusinesses.
- Consolidating and diversifying entrepreneurs generally have greater financial means than potential new exporters. There is therefore a risk that ORPEXes will pay more attention to the former than the latter, a negation of their mandate.
- Entrepreneurs would not understand why an organization that is already subsidise should charge for its services.

Consultant's comment

No accounting interpretation of these self-financing requirements has been done, however, and we find today that independent revenues are being interpreted and processed in many different ways. In most cases, financial statements do not clearly show what share of revenues comes from self-financing. According to our compilation of income from the sources mentioned in the decree of Quebec's Conseil du trésor, *income from government sources is around 60% of the total. (See Table 7.1). Six ORPEXes are not subject to the Conseil du trésor directive.*

Table 7.1
ORPEX Income 2001/2002—Public Sources 2001-2002

	ORPEX name	CED income / (A)	Other public sources (B)	(C)= (A)+ (B)	(D)	% (E)= (A)/D	% (F)= (C)/(D)
1	Bureau de promotion des exportations d'Abitibi-Témiscamingue	410,814	12,245	423,059	568,317	72	74
2	Chaudière-Appalaches Export	322,369	0	322,369	432,044	75	75
3	Chambre de Commerce et de l'Industrie de l'Est de l'Île de Montréal	61,017	0	61,017	69,981	87	87
4	Club Export@ction (Service de soutien à l'exportation Haut-Richelieu)	148,214	10,673	158,887	176,256	84	90
5	Club Export des Cantons-de-l'Est	124,281	56,531	180,812	228,546	54	79
6	CORPEX Côte-Nord	172,623	0	172,623	196,783	88	88
7	Corp. de dév. international Centre-du-Québec	161,433	60,000	221,433	355,790	45	62
8	Corporation Mauricie International	224,313	251,708	476,021	626,874	36	76
9	CORPEX Bas-St-Laurent	261,712	2,414	264,126	438,250	60	60
10	Estrie International 2007	207,346	126,247	333,593	460,880	45	72
11	Lanaudière International	188,465	0	188,465	251,497	75	75
12	Laurentides International	149,866	49,669	199,535	350,725	43	57
13	Laval Technopole	220,628	100,709	321,337	414,826	53	77
14	Montérégie International	232,912	48,725	281,637	282,464	82	100
15	Outaouais International	216,993	117,733	334,726	382,570	57	87
16	SMMGIM (Gaspé)	200,000	0	200,000	324,309	62	62
17	SERDEX (Lac-St-Jean)	143,242	27,136	170,378	210,848	68	81
18	Sery (Service d'exportation Richelieu-Yamaska)	197,312	41,677	238,989	318,058	62	75
19	SDE Longueuil	199,682	162,122	361,804	426,049	47	85
20	Société de l'expansion des exportations du Suroît	129,778	29,668	159,446	167,736	77	95
21	Pôle Québec/Chaudière/Appalaches	380,582	0	380,582	380,582	100	100
22	WTC	1,295,988	0	1,295,988	2,286,124	57	57
	Total	5,649,570	1,097,257	6,746,827	9,349,509	60	72
	Total without WTC	4,353,582	1,097,257	5,450,839	7,063,385	62	77

When funding from other government sources, regions, principalities, and some departments, among other sources, is added, the percentage of government funding rises to 73%, for a self-financing figure of 27%.[24]. Four ORPEXes are distinctive in this regard.

5.5 Definition of exporter types

The Quebec government's strategy paper contains a list and definition of companies according to their place on the continuum from non-exporters to experienced exporters. The five stages are as follows:

- Potential exporter;
- Enterprise qualified to export;
- Beginning exporter;
- Consolidating exporter;
- Diversifying exporter.

Both among managers and commissioners, there is a certain uncertainty as to the definition of the type of exporter. Though the concept is clear, it is often difficult to place a given company in one category or the other. Thus, a company may find itself placed in one category on account of its participation in one market and in another category for a different market.

Consultant's comment

Our own proposed list of exporter types (Table 7.2) was essentially the same except that stages 2 and 3 were combined and some seemingly more objective criteria were included. CED's lists also differ from the MDER's, as we have seen on previous pages. Whatever the case, the breakdown of companies by their place on the continuum from inexperienced to experienced exporters is not found at the statistical level in the CRIQ database nor, to our knowledge, in any other source.

[24] This rate includes the "mandates / activities / missions" item. If this is excluded, the rate drops to 10% on the average.

Lenders should therefore establish a baseline for companies' situation, in terms of their place on the continuum of exporters, in order to be able to measure ORPEXes' real contribution from one year to the next. Without such a baseline, performance evaluations must only look at short-term results, that is, the activities organized by the ORPEXes. Lenders will have to assume that the conduct of such activities will increase the number of companies in a position to export and that ultimately exports too will increase.

Table 7.2
Definition of exporter types

A. Potential exporter

A company that has not yet begun to export but has expressed an interest in doing so.

B. New exporter

A company that makes less than 10% of its revenues from exports
or
A company that earns less than $200,000 in export revenue.

C. Consolidating exporter

A company that makes more than 10% of its revenues from exports
or
A company that earns more than $200,000 in export revenue.

D. Diversifying exporter

A company that makes more than 10% of its revenues from exports
or
A company that earns more than $200,000 in export revenue
and
wishes to find new clients in new markets or sell other products on the same market.

5.6 Definitions of service types

Many stakeholders say the activities in each service type are too similar and create confusion. Sometimes the same activity is placed in one box on the grid, sometimes another. Commissioners sometimes get the impression that they must propose activities in each category.

Consultant's comment

It would be better for the annual work plan to include both types of activity or service and exporter types.

5.7 Relations between commissioners and managers

Some government managers are not convinced that the ORPEX formula is worth keeping, and would rather financial contributions were made to existing agencies or institutions, such as chambers of commerce, so that they can organize awareness activities. Some of them also questioned the number of trade missions, their destinations, the way they are organized, their cost, and in general their efficiency and effectiveness.

Consultant's comment

ORPEX is only one element in the governments' strategy. Coordination between the two governments is essential and everyone needs to be conscious of their assigned role. Accordingly, each ORPEX's activity plan must be acceptable to, and consented to by, the lenders, before it is ever presented to their Board of Directors. Where conflicts arise—a rare occurrence, actually—the lenders' position must prevail.

Managers' doubts and questions about the ORPEX system itself cannot fail to create tension between managers and commissioners.

5.8 Intervention Model

Because of ORPEXes' limited human resources, they cannot take ad hoc action within companies. Some stakeholders would prefer that ORPEX experts literally go into the company and organise its export function, from design to consolidation. That is, an experienced team of two or three persons could go through 10 or more companies in the space of a few months before handing over to permanent resources.

Consultant's comment

This model deserves to be studied, but a priori it might have rather a marginal impact on the levels of exports because of the limited number of companies affected.

5.9 Service Invoicing

A number of managers mentioned that there was a potential conflict between paid services provided to entrepreneurs and the consultants. As ORPEXes are subsidized, must the consultation services they provide be "low-balled" vis-a-vis the private sector? In large cities, with many private consultants, this problem may arise. In remote regions, the debate is rather theoretical, as both supply and demand are limited.

Consultant's comment

Where the problem exists, the ORPEX should charge the same rates as private consultants in order to avoid charges of unfair competition.

5.10 WTC Role

The World Trade Centre's financing raises a number of questions. People find its budget high and some are wondering whether it was not obtained at the expense of other ORPEXes. In addition, some diagnostics or plans drawn up by its employees or representatives were deemed too theoretical and entrepreneurs were dissatisfied with them. Some training sessions allegedly were given by trainers with little export experience.

It was also mentioned that because of its remoteness from the regions, the WTC would not be able to provide support to companies, much less the necessary follow-up after training or after proposing an export strategy.

5.11 Regions

The number of SMEs in the regions is very variable depending whether you are in (or even near) a large urban centre. Some stakeholders think ORPEXes in remote regions should receive a larger contribution because of their greater travel times and costs. Conversely, others would like the contribution to be proportionate to the number of SMEs to be served.

In the Chaudière/Appalaches region, there are some tensions due to the duplication of mandates in the same geographical area as is assigned to the new Pôle Québec/Chaudière/ Appalaches ORPEX.

Many stakeholders are wondering if there is any point in having six export commissioners in Montérégie when the region is already partially served by the services available in Montreal.

Consultant's comment

It is hard to say whether this is the case without further study.

5.12 Role of Associations and Business Groupings

Not all ORPEXes are able to organize trade missions made up of companies working in the same sector, those from the same regions, or those that have reached the same stage on the export continuum, as they must often organize multisectoral missions or missions involving only a few individuals.

One way of reaching a number of similar companies at the same time is to support sectoral associations like those in the construction, telecommunications or NTI industries or even the Association des manufacturiers et exportateurs du Québec. Montreal's WTC provides

specialized services in this niche and many people are wondering whether it should not be assigned a larger share of the trade missions. That would enable the missions and to be better prepared and make better use of the trade commissioner networks of Quebec and Canada alike. Follow-up of these missions would then become a joint responsibility of the regional commissioners and the WTC under a formula to be arranged.

6 CONCLUSION AND RECOMMENDATIONS

Quebec is still lagging behind the rest of Canada in the export area. The number of exporter companies, though growing, is still lower, proportionately, than the Canadian average. Quebec therefore needs to increase the number of companies that export and, among those already exporting, the number that diversify their markets.[25]

In this context, the consensus is that all ORPEXes need to be kept. The most widely held opinion is the governments do not have the requisite administrative flexibility to effectively organise a number of activities, such as trade missions, information and awareness sessions, etc. ORPEXes should therefore continue to support SMEs in their export projects, not only to help them avoid the main hurdles that beginning exporters run into, but also to make a substantial contribution to the success of their projects. Increasingly, however, they will need to coordinate their activities with those of more specialized organizations and institutions that can better meet the expectations of experienced exporters.

The same view is held by the users of ORPEX services, 94% of whom are ready to recommend their region's export commissioner's services to other companies. They are also "entirely in agreement" (74%) or "moderately in agreement" (18%) with the following statement: "the provision of such services meets a need in my region." Regional ORPEX clients therefore take it for granted that these organizations ought to continue and that the services they provide are highly appreciated. More experienced exporters (three years +) are however beginning to bring pressure to bear on the commissioners to improve the services they provide. This change toward increasingly specialized services appears to be the ORPEXes' major challenge; they will need to evolve with their clients while continuing to promote information and awareness activities to potential exporters. In the medium term, however, it seems that these increasingly sophisticated clients will have to turn to other organizations.

As regards program financing, it is conceivable that in future the base agreements signed with CED or MDER will not specify any particular activities, these being left to the discretion of ORPEXes' boards of directors; the agreement would specify results only in terms of the number

[25] *Vers le plein emploi*, Volet Exportations, Horizon 2005, Quebec City, Chapters 2.5 and 2.6.

of companies that move from one category to another within the nomenclature of exporter types. Thus, in a given region, if we suppose that there are 500 manufacturing-Sceptre SMEs, including 250 in group A (non-exporters), 100 in group B (new exporters) and 100 and 50 in the last two categories, the agreement would specify only that X companies from category A would move into category B and so on. These objectives would be identified year by year and would be negotiated between the parties. With these objectives, ORPEXes would have a choice of ways and means of reaching them.

Recommendation No. 1: Review the performance measurement framework and enhance ORPEX autonomy

The performance measurement framework needs to be reviewed and should henceforth contain only actual results. Activities should also be in a separate category and should be left for the ORPEXes, and their decision centres, to decide on. Activity control would be done through annual work plans and activity reports, which must be accepted by Boards of Directors on which government managers would sit as observers. A necessary consequence of this would be the requirement for a regional review of exporting companies.

Recommendation No. 2: Define self-financing measures

Self-financing measures ought to be well defined and should pertain only to membership dues, consultation fees, the sale of publicity or other advertising materials and contributions to the overhead of the paying services. When regional authorities contribute (cities, MRCs, CRDs and CLDs), they should do so without distorting the ORPEX's mandate. When self-financing measures are thus defined, a suitable and realistic goal might be for local companies to make a contribution of between 10 and 15%.

Recommendation No. 3: Centralize some activities

Trade missions to the World Bank (WB) and all international lenders (UN, WHO, etc), where these are deemed profitable, should continue to be centralized at the WTC. The same would be true of "reverse" trade missions, that is, missions to Quebec by buyers from those organizations.

In view of the scope of its mandate, which covers all regions of Quebec, some more specialized courses should also be designed and administered by the WTC, even if the trainers have to

travel to the regions at the request of a number of ORPEXes (should the individual demand be too low). This is all the more desirable to the extent that ORPEXes should, in the future, specialize more in services to new and potential exporters.

In any event, a way needs to be found of integrating the WTC and its specialized services into the services provided by the ORPEXes, making the best possible use of centrally located specialists but respecting regional characteristics. That would have two major consequences:

- the level of ORPEXes' financing would need to take into account the services already provided centrally;
- the Quebec government would have to contribute to WTC financing as it does to the financing of all other ORPEXes, recognizing its place in the network and in the whole skein of services rendered.

Recommendation No. 4: Clarify the Nomenclature of Activities to correspond to exporter types

A guide should be prepared for ORPEXes so that a standardized nomenclature can be used for both services and exporter types and comparisons can therefore be made between the two. Similarly, without insisting on total consistency, ORPEXes' fiscal years should be aligned with governments'. ORPEXes' rules should be clarified on the basis of these details by identifying the kinds of undertakings to be supported and the corresponding activities for each.

A joint working committee could therefore be set up and given the mandate of making the nomenclature of activities and exporter types consistent. The committee could also look at accounting procedures for ORPEX operations and provide a few guidelines for the classification and accounting treatment of activities (in particular those for which ad hoc contributions are received from governments).

This committee might also lay the groundwork for a possible integration, or at any rate coordination, between the two governments' programs, on the basis of a common definition of objectives and modus operandi.

Recommendation No. 5: Study trade missions' economic and commercial impacts

Because many managers are questioning trade missions' usefulness and effectiveness, CED and MDER should sponsor a study on the economic and commercial impacts of trade missions,

using a longitudinal approach (for example, over a period of 3 to 5 years) to identify the essential conditions for their success. This study would enable lenders to better justify their responses to ORPEX applications for trade missions to be organized.

Recommendation No. 6: Standardize report formats

Lenders should propose an annual report format to ORPEXes to standardize the gathering and interpretation of statistics on their activities. The report format should include a section on analysis of regional clienteles by exporter type.

Recommendation No. 7: Encourage the conduct of training and information sessions

Lenders should encourage the organization of training and information sessions for commissioners to help them keep their knowledge of export management practice up to date, discuss their experiences, and contribute to the design and implementation of government export strategies. RECOMEX could host these sessions.

APPENDIX 1

Questionnaire for User Surveys

Appendix 1
Questionnaire for User Surveys

Q4) What was the last year you made use of the services of the export commissioner?

N=		301
	100%	
2003	1	176
58%		
2002	2	83
28%		
2001	3	18
6%		
2000	4	8
3%		
1999	5	10
3%		
*Dnk-BUT BETWEEN 1999 AND 2003 -	7	6
2%		

6 **Q1**

Q1) What is your company's area of activity?

N=		301
	100%	
Natural resource development (mines, forests, fisheries etc)	1	17
6%		
Manufacturing or processing (doors and windows, textiles, crafts etc)	2	195
65%		
Services (distribution, engineering, construction etc)	3	67
22%		
*other	4	22
7%		

7: **Q3**

Q3) As of last April 1, how many employees did your company have?

N=		301
	100%	
1-4	1	52
17%		
5-19	2	113
38%		
20-49	3	70
23%		
50-199	4	48
16%		
200-499	5	10
3%		
	6	6
2%		
*Dnk/dna	8	2
1%		

Appendix 1 (cont'd)
Questionnaire for User Surveys

8 **Q4A**

Q4) How long have you been exporting OUTSIDE QUEBEC ?

N= 301
100%
Less than one year 1 28
9%
1-3 years 2 80
27%
More than 3 years 3 149
50%
*no longer exporting 4 1
0%
*does not (yet) export 5
39 13%
*Dnk/dna 8 4
1%

9 **Q5**

Q5) What were your approximate revenues for your company's last fiscal year? Were they...

N= 301
100%
*no revenue (startup company) 0 2
1%
less than $500,000 1 67
22%
between $500,000 and $2 million 2
93 31%
between $2 and $5 million 3 52
17%
between $5 and $10 million 4 29
10%
between $10 and $20 million 5 17
6%
$20 million + 6 19
6%
*Dnk/dna 8 22
7%

10 **Q6**

Q6) What percentage of your revenues is derived from your export activities? ***

N= 261
100%
*less than 1% 0.5 13
5%
*Dnk 998 14
5%

"Q6"

Appendix 1 (cont'd)
Questionnaire for User Surveys

11 **Q7A**

Q7) Of the total... Other provinces

N= 261

100%

*less than 1% 0.5 0

0%

*Dnk. 998 18

7%

"Q7A"

12 **Q7B**

Q7) Of the total... USA on screen

N= 261

100%

*less than 1% 0.5 0

0%

*Dnk. 998 19

7%

"Q7B"

13 **Q7C**

Q7) Of the total... Other countries on screen

N= 261

100%

*less than 1% 0.5 0

0%

*Dnk. 998 20

8%

14 **Q7D**

Q7d) What countries do you export to other than Canada and the USA?

N= 136

100%

*NONE 00		X			2
1%					
*everywhere 96		X			1
1%					
country (specify) 97		O			0
0%					
*Dna	98		X		8
6%					
Asia, unspecified	03	N		24	18%
South America, unspecified	04	N		24	18%
Central America, unspecified	05	N		20	15%
China	06		N		9
7%					
Japan	07		N		17
13%					
France	08		N		32
24%					
Mexico	09		N		20
15%					

Appendix 1 (cont'd)
Questionnaire for User Surveys

Germany	10	N	11
8%			
England	11	N	10
7%			
Venezuela	12	N	8
6%			
Belgium	13	N	11
8%			
Peru	14	N	8
6%			
Switzerland	15	N	7
5%			
Holland	16	N	3
2%			
Denmark	17	N	3
2%			
Chile	18	N	11
8%			
Spain	19	N	5
4%			
Australia/New Zealand	20	N	11
8%			
Africa, unspecified	21	N	21
15%			
Europe, unspecified	22	N	38
28%			
Near East	23	N	11
8%			
Latin America	24	N	4
3%			
Russia	25	N	2
1%			

Q8

Appendix 1 (cont'd)
Questionnaire for User Surveys

Q8) Did the services received from the Export Commissioner lead to an INCREASE in your company's exports?

Yes	1		91
35%			
No	2		159
61%			
*Dnk	8		11
4%			

16 **Q9**

Q9) Were these new export markets MAINLY located in

N=			91
	100%		
*NONE	00	X	0
0%			
*everywhere	96	X	0
0%			
country (specify)	97	O	0
0%			
*Dna	98	X	2
2%			
*Other provinces of Canada	01		21
23%			
*United States	02		44
48%			
Asia, unspecified	03	N	5
5%			
South America, unspecified	04	N	8
9%			
Central America, unspecified	05	N	3
3%			
China	06	N	3
3%			
Japan	07	N	7
8%			
France	08	N	7
8%			
Mexico	09	N	6
7%			
Germany	10	N	3
3%			
England	11	N	1
1%			
Venezuela	12	N	2
2%			
Belgium	13	N	1
1%			
Peru	14	N	1
1%			
Switzerland	15	N	0
0%			

Appendix 1 (cont'd)
Questionnaire for User Surveys

Holland ..... 16 N 1
1%
Denmark ..... 17 N 2
2%
Chile ..... 18 N 3
3%
Spain ..... 19 N 0
0%
Australia/New Zealand ..... 20 N 1
1%
Africa, unspecified ..... 21 N 7
8%
Europe, unspecified ..... 22 N 6
7%
Near East ..... 23 N 1
1%
Latin America ..... 24 N 0
0%
Russia ..... 25 N 1
1%

17 **Q10**

Q10) Can you give an approximate idea of the percentage increase in exports to these new markets?

N= 91
100%
*Less than 1% 0.5 7
8%
*Dnk. 998 23
25%

19: **Q11A**

Q11a) Which of the following services DID you receive?

N= 301
100%
Exporting workshops 01 160
53%
Luncheon/supper talks 02
193 64%
Individual meetings 03 172
57%
Newsletters 04 192
64%
Specialized workshops or seminars 05 153
51%
NEXPRO-type training sessions 06
65 22%
Preparation for trade missions 07 96
32%
Club Export 08 68
23%

Appendix 1 (cont'd)
Questionnaire for User Surveys

Exporting diagnostic 09 67
22% .....
Export or marketing plan.....10 63
21% .....
Technical support for the implementation of export plans.....
.....11 61 20%
General technical support.....12 90
30% .....
Foreign market information searches.....13
..... 110 37%
Trips with companies on a mission.....14
..... 83 28%
Reception of trade missions, trade commissioners or foreign buyers 15 69 23%
Other services received (specify).....97 O 11
4% .....
*None .....00 x 6
2% .....
*Dnk/dna.....98 X 3
1% .....
Salons/Salon Futur Alia.....16 N 7
2% .....
Grants .....17 n 3
1% .....

20: Q11B

Q11a) Which of the following services would you be INTERESTED in receiving?
N=..... 301
.....100%
Exporting workshops 01 146
49% .....
Luncheon/supper talks.....02 158
52% .....
Individual meetings.....03 172
57% .....
Newsletters 04 162
54% .....
Specialized workshops or seminars.....05 167
55% .....
NEXPRO-type training sessions.....06 77
26% .....
Preparation for trade missions 07 137
46% .....
Club Export 08 104
35% .....
Exporting diagnostic 09 133
44% .....
Export or marketing plan.....10 122
41% .....
Technical support for the implementation of export plans.....11 138
46% .....
General technical support.....12 124
41% .....

Appendix 1 (cont'd)
Questionnaire for User Surveys

Foreign market information searches	13		165
55%			
Trips with companies on a mission	14		114
38%			
Reception of trade missions, trade commissioners or buyers	15	131	44%
Other services (specify)	97	O	8
3%			
*None	00	x	30
10%			
*Dnk/dna	98	X	2
1%			
Salons/Salon Futur Alia	16	N	1
0%			
Grants	17	n	1
0%			

Q11c) Of the services your company received, which were the MOST USEFUL?

N=			292
			100%
Exporting workshops	01		18
6%			
Luncheon/supper talks	02		31
11%			
Individual meetings	03		46
16%			
Newsletters	04		12
4%			
Specialized workshops or seminars	05		25
9%			
NEXPRO-type training sessions	06		15
5%			
Preparation for trade missions	07		14
5%			
Club Export	08		1
0%			
Exporting diagnostic	09		4
1%			
Export or marketing plan	10		13
4%			
Technical support for the implementation of export plans	11		1
0%			
General technical support	12		9
3%			
Foreign market information searches	13		15
5%			
Trips with companies on a mission	14		35
12%			
Reception of trade missions, trade commissioners or buyers	15		9
3%			
Another service (specify) was the most useful	97	O	18
6%			

Appendix 1 (cont'd)
Questionnaire for User Surveys

*None 00
..... 16 5%
*Dnk/dna 98 8
3% .....
Salons/Salon Futur Alia ..... 16 N 1
0% .....
Grants ..... 17 n 1
0% .....

22 **Q12A**

Q12) Would you say you are entirely, moderately, somewhat or not at all satisfied...
a- with access to services

N= 301
..... 100%
Entirely 1 202
67% .....
Moderately 2 84
28% .....
Somewhat 3 3
1% .....
Not at all 4 3
1% .....
*na 5 4
1% .....
*Dnk/dna 8 5
2% .....

23 **Q12B**

b- with the ability to meet your needs

N= 301
..... 100%
Entirely 1 180
60% .....
Moderately 2 95
32% .....
Somewhat 3 8
3% .....
Not at all 4 6
2% .....
*na 5 10
3% .....
*Dnk/dna 8 2
1% .....

24 **Q12C**

c- with the promptness in responding to your requests

N= 301
..... 100%
Entirely 1 211
70% .....
Moderately 2 63
21% .....

Appendix 1 (cont'd)
Questionnaire for User Surveys

Somewhat	3	4
1%		
Not at all	4	1
0%		
*na	5	19
6%		
*Dnk/dna	8	3
1%		

25 **Q12D**

d- with staff courtesy

N=		301
	100%	
Entirely	1	281
93%		
Moderately	2	13
4%		
Somewhat	3	0
0%		
Not at all	4	1
0%		
*na	5	2
1%		
*Dnk/dna	8	4
1%		

26 **Q12E**

e- with the adviser's professionalism

N=		301
	100%	
Entirely	1	255
85%		
Moderately	2	33
11%		
Somewhat	3	1
0%		
Not at all	4	1
0%		
*na	5	6
2%		
*Dnk/dna	8	5
2%		

27 **Q12F**

f- with the quality of the service in general

N=		301
	100%	
Entirely	1	235
78%		
Moderately	2	53
18%		

Appendix 1 (cont'd)
Questionnaire for User Surveys

Somewhat	3	3
1%		
Not at all	4	2
1%		
*na	5	5
2%		
*Dnk/dna	8	3
1%		

28 **Q13**

Q13) Would you say you wholly agree, tend to agree, tend to disagree or wholly disagree with the following statements?

N=		301
	100%	

29 **Q13A**

q13a) The services received enabled me to reduce the costs of my exporting activities.

Wholly agree	1	39
15%		
Tend to agree	2	88
34%		
Tend to disagree	3	26
10%		
Wholly disagree	4	59
23%		
*na	5	45
17%		
*Dnk/dna	8	4
2%		

30 **Q13B**

q13b) The services received enabled me to better evaluate the profitability of my exporting activities.

N=		261
	100%	
Wholly agree	1	80
31%		
Tend to agree	2	78
30%		
Tend to disagree	3	19
7%		
Wholly disagree	4	43
16%		
*na	5	39
15%		
*Dnk/dna	8	2
1%		

Appendix 1 (cont'd)
Questionnaire for User Surveys

31 **Q13C**

q13c) The services received made me more aware of export opportunities.

N=	301
100%	
Wholly agree 1	177
59%	
Tend to agree 2	70
23%	
Tend to disagree 3	12
4%	
Wholly disagree 4	24
8%	
*NA 5	17
6%	
*DNK/DNA 8	1
0%	

32 **Q13D**

q13d) The services received gave me access to pertinent information on the various government export assistance programs and services.

N=	301
100%	
Wholly agree 1	163
54%	
Tend to agree 2	83
28%	
Tend to disagree 3	15
5%	
Wholly disagree 4	27
9%	
*na 5	12
4%	
*DNK/DNA 8	1
0%	

33 **Q13E**

q13e) The services received gave me access to pertinent information on what I needed to do in order to export.

N=	301
100%	
Wholly agree 1	151
50%	
Tend to agree 2	91
30%	
Tend to disagree 3	17
6%	
Wholly disagree 4	23
8%	
*na 5	16
5%	
*Dnk/dna 8	3
1%	

Appendix 1 (cont'd)
Questionnaire for User Surveys

34 **Q13F**

q13f) The training activities were relevant to my export endeavours.

N=		301
	100%	
Wholly agree	1	145
48%		
Tend to agree	2	83
28%		
Tend to disagree	3	16
5%		
Wholly disagree	4	14
5%		
*na	5	40
13%		
*Dnk/dna	8	3
1%		

35 **Q13G**

q13g) The services received made me better prepared for exporting (marketing plan, etc).

N=		301
	100%	
Wholly agree	1	164
54%		
Tend to agree	2	73
24%		
Tend to disagree	3	19
6%		
Wholly disagree	4	17
6%		
*na	5	26
9%		
*Dnk/dna	8	2
1%		

36 **Q13H**

q13h) The services received enabled me to reduce the risks in my exporting activities.

N=		301
	100%	
Wholly agree	1	120
40%		
Tend to agree	2	90
30%		
Tend to disagree	3	20
7%		
Wholly disagree	4	32
11%		
*na	5	38
13%		
*DNK/DNA	8	1
0%		

Appendix 1 (cont'd)
Questionnaire for User Surveys

37: **Q13I**

q13i) The services received gave me logistical support for my export activities.

N=		301
	100%	
Wholly agree	1	108
36%		
Tend to agree	2	94
31%		
Tend to disagree	3	26
9%		
Wholly disagree	4	31
10%		
*na	5	40
13%		
*Dnk/dna	8	2
1%		

38 **Q13J**

q13j) The provision of such services meets a need in my region.

N=		301
	100%	
Wholly agree	1	223
74%		
Tend to agree	2	54
18%		
Tend to disagree	3	8
3%		
Wholly disagree	4	6
2%		
*na	5	3
1%		
*Dnk/dna	8	7
2%		

39 **Q13K**

q13k) I expect to make use of this organization's services again during the next twelve (12) months.

N=		301
	100%	
Wholly agree	1	181
60%		
Tend to agree	2	68
23%		
Tend to disagree	3	18
6%		
Wholly disagree	4	26
9%		
*na	5	3
1%		
*Dnk/dna	8	5
2%		

Appendix 1 (cont'd)
Questionnaire for User Surveys

40 **Q13L**

q13l) The services received will enable me to increase my exports over the next few years.

N=			261
		100%	
Wholly agree	1		117
45%			
Tend to agree	2		83
32%			
Tend to disagree	3		21
8%			
Wholly disagree	4		20
8%			
*na	5		12
5%			
*Dnk/dna	8		8
3%			

41 **Q13M**

q13m) The activities received stimulated our interest in developing new markets or in exporting.

N=			301
		100%	
Wholly agree	1		167
55%			
Tend to agree	2		64
21%			
Tend to disagree	3		29
10%			
Wholly disagree	4		24
8%			
*NA	5		17
6%			
*Dnk/dna	8		0
0%			

42 **Q14**

Q14) Did the services received from your regional export commissioner enable you to create AND/OR save jobs at your company?

N=			261
		100%	
Yes - create	1		49
19%			
Yes - save	2		97
37%			
No -neither create nor save	3	X	133
51%			
*Dnk/dna	8	X	4
2%			

Appendix 1 (cont'd)
Questionnaire for User Surveys

43 **Q14A1**

Q14a) How many jobs do you estimate were CREATED...
a- full-time (including seasonal)

N=..... 49
.....100%
*Dnk. 998 3
6% .....

44 **Q14A2**

Q14a) How many jobs do you estimate were CREATED...
b- part-time

N=..... 49
.....100%
*Dnk. 998 4
8% .....

Q14(b) How many jobs do you estimate were SAVED....

a- full-time (including seasonal)

N= 97
100%

*dnk998. ..... 998 13
13%

47 **Q14B2**

Q14a) How many jobs do you estimate were SAVED....

b- part-time

$E

N= 97
100%

*Dnk. 998
15

15%

49: Q16

Q16) How much do you spend annually on consulting services for your export activities? Was it....

N= 301
100%

less than $5,000 1
162

54%

from $5,000 to $9,999 2
70

23%

Appendix 1 (cont'd)
Questionnaire for User Surveys

from $10,000 to $49,999 3
35
12%
from $50,000 to $99,999 .....4 5
2% .....
$100,000 + ...5 4
1% .....
*Dnk/dna 8 13
4% .....
*Not applicable 9 12
4% .....

50 **Q17**

Q17) Would you recommend to other companies that they make use of the services of your region's export commissioner??
N= 301
.....100%
Yes 1 282
94% .....
No 2 15
5% .....
*Dnk/dna 8 4
1% .....

51 **Q18**

Q18) Implementing your export projects, did you get consulting advice from other organizations?
N= 301
.....100%
Yes 1 127
42% .....
No 2 171
57% .....
*Dnk/dna 8 3
1% .....

52 **Q18A**

Q18a) From whom?
N= 127
.....100%
Canada Economic Development (CED) 01 68
54% .....
Ministère de la Finance et du Revenu - MFER (formerly the *Ministère de l'Industrie et du Commerce* - MIC)
.....02 59
46% .....
CRCD or *Ministère des régions* 03 13
10% .....
Centre local de développement 04 32
25% .....
Another local government organization 05 40
31% .....

Appendix 1 (cont'd)
Questionnaire for User Surveys

A private organization	.06		41
32%			
*Dnk/dna	.9[illegible]	X	2
2%			
53			**Q19**
Q19) Are you registered with WINEXPORT?			
N=			301
	.100%		
Yes	.1		136
45%			
No	.2		154
51%			
*Dnk/dna	.8		11
4%			
54			**SEX2**
RESPONDENT'S SEX:			
N=			301
	.100%		
male	.1		243
81%			
female	.2		58
19%			

APPENDIX 2

Interview Guide - Commissioners

Appendix 2
Interview Guide - Commissioners

1. Presentation of the ORPEX, its environment, its particular situation and its areas of expertise?

2. Commissioner's comments on the type of clients served? How is the clientele broken down? Is the classification system meaningful?

   - potential exporter
   - new exporter
   - consolidating exporter
   - diversifying exporter

3. According to client type, what services are offered? Is this classification meaningful for you?

   - awareness activities
   - knowledge development
   - export advice
   - support for market penetration

4. Measures of client satisfaction and of activity follow-up. Method, frequency, compilation, dissemination, etc.

5. Self-financing and service invoicing policy. According to client type and services offered. On what basis, at what level?

6. Do consolidating and diversifying exporters still require assistance?

7. Perception, comments and assessment of basic agreements signed with CED and MFER.

8. Perception, comments and assessment of ad hoc agreements with governments? Advantages and disadvantages.

9. Comments and assessment of the "continuous performance measurement" framework, Appendix E of federal agreements. Equivalent in Quebec.

10. Perception, comments or assessments of the "Visibility Protocol" of CED agreements (Appendix D).

11. Relations with the government manager: quality, frequency, type of report to be produced, etc.

12. Suggestions and recommendations for improving the basic agreement and ad hoc agreements. If you could start over again, what would you do differently?

13. A statistical and economic portrait of the region's exports, 1990-2002.

Appendix 2 (cont'd)
Interview Guide - Commissioners

14. Where you think ORPEXes will be 10 years from now?

15. Have you anything to add that could shed light on the assessment?

APPENDIX 3

Interview Guide - Managers

Appendix 3
Interview Guide - Managers

1. Presentation of ORPEX under management. Its environment, its characteristics, its areas of expertise.

2. Manager's comments on the type of clients served. How is the clientele broken down? Is the classification system meaningful for its region?

3. Manager's comments on the services provided. Is the classification system meaningful for its region?

4. Comments on ORPEX self-financing

5. Do the agreements (multiyear and ad hoc) call for follow-up mechanisms to help determine whether the desired results have been achieved? Presence, type and number of follow-up mechanisms employed under the agreements. Comments

6. Comments on the "continuous performance measurement framework" or its equivalent at MIC

7. How do the activities actually carried out compare to those called for in the agreements? % fulfilled or change in fulfilment rate

8. To what extent do the ad hoc agreements succeed in producing complementarity between:

   - the objectives of the multiyear agreements?
   - operating costs and the activities supported by the two governments?
   - organization and delivery of activities?

9. Apart from the ORPEXes, what other export-related organizations, associations or groups are financed by your department?

10. What effects do the ad hoc agreements have on ORPEXes' effectiveness and performance? Value added of the financing of the same activities by both governments. Redistribution of budgets to other activities or provision of budgets for those same activities. What is the multiplier effect?

11. Do you believe governments should review their funding strategy and if so, how? What activities would be affected? What follow-up mechanisms would be implemented?

12. Do ORPEXes have a future? What is it?

APPENDIX 4

Summary Evaluation Grid

Appendix 4
Summary Evaluation Grid

Evaluation themes and questions	*Indicators*	*Methodology*
Theme No. 1 Review of completed activities		
A) What kind of activities were carried out under the agreement?	➢ (A) Number and kind of activities carried out under the agreements (2 years)	Administrative documents: Annual report, activity report, annual action plan, etc.
B) What are your areas of expertise?	➢ Comparison of the volume of activities carried out (various types) ➢ Observers'/commissioners' perception of areas of activity or activity niches	Database Consultation with regional Human Resources units: Observers/advisers
C) What kind of services were rendered by type of client served (new exporter, consolidating exporter or diversifying exporter)?	➢ Client characteristics (new, consolidating or diversifying exporter: size, area of activity, export revenues, export expenditures, export-related employment, etc) vs number and kind of products/services consumed	
D) How often are the services used?	➢ Frequency of use of the products/services vs client profile (1st use = new client =?... 2nd use =?, etc)	
E) How much use do clients make the services of other organizations? F) What do clients get from other organizations in the way of grants or other funding?	➢ Competition indicator ➢ Dissatisfaction indicator ➢ Indicator of mismatch between client needs and services provided	

Appendix 4 (cont'd)
Summary Evaluation Grid

Evaluation themes and questions	*Indicators*	*Methodology*
Theme No. 2: Content and operating structure of agreements (for all multiyear functional agreements in the regions, sampled over 2 years)		
A) Effectiveness of Follow-up Mechanisms		
Do the agreements (multiyear and ad hoc) call for follow-up mechanisms to facilitate accountability?	➢ Presence, type and number of follow-up mechanisms employed under the agreements	Administrative documents
To what extent do the follow-up mechanisms used enable: a) results to be linked to the objectives set? b) funding for a given deliverable or service to be followed up? c) changes over time in the achievement of results to be tracked?	➢ Suitability of agreements' accountability provisions and objectives. ➢ Criteria used in follow-up mechanisms in terms of... objectives, products/services planned/rendered, funding, clients reached, results planned/achieved, etc.)	
How do the activities actually carried out compare to those called for in the agreements?	➢ Depending on the agreement, % fulfilled or change in fulfilment rate	
How do activity costs break down in terms of the planned and actual activities?	➢ Cost breakdown according to activities planned and carried out	

Appendix 4 (cont'd)
Summary Evaluation Grid

Evaluation themes and questions	*Indicators*	*Methodology*
(B) Complementarity and Duplication To what extent do the ad hoc agreements succeed in producing complementarity between... 1. the objectives of the multiyear agreements? 2. operating costs and the activities supported by the two governments? 3. organization and delivery of activities? 4. other organizations working at other than regional levels? How do the co-financing, organization and delivery of the same activities together? (What is the effect of this?)	➢ Comparison of volume of eligible activities (number, type, costs etc) by both governments in terms of... • eligible activities of either government • activities of supra-regional organizations ➢ Value added of the financing of the same activities by both governments. – redistribution of money for other activities vs provision of new money for the same activities + multiplier effect	Client perception: "Focus group" with WTC and Montérégie clients
(C) Centralization vs Decentralization How do the various stakeholders see governments' use of ad hoc agreements as opposed to multiyear agreements? (advantages and disadvantages of ad hoc agreements)	➢ Perception of stakeholders/commissioners/clients • Advantages vs Disadvantages	
(D) Choice of Subsidized Activities Should governments review their strategies? If so, what activities would be affected?		

Appendix 4 (cont'd)
Summary Evaluation Grid

Evaluation themes and questions	*Indicators*	*Methodology*
Theme No. 3: Spin-offs for clients and level of satisfaction		
A) Suitability of products/services to client needs		
How useful were the products/services provided in terms of the exporter continuum?	➢ Activities carried out following consumption of products/services at various points in the exporter continuum 1. New Exporter (E.g.: Less than 10% of revenues from export, or less than $200,000) 2. Consolidating exporter 3. Diversifying exporter **A. Awareness and training activities:** • information workshops, exporting courses and seminars, specialized newsletters and symposia vs export plans, identification of potential markets, etc. **B. Technical assistance:** • strategic plans, international business plans, market studies, export diagnostics, marketing strategies, identification of potential markets, etc. vs implementation of activities.	The nomenclature of products and services provided by commissioners is taken from: A) the 2000 survey: Sectoral partnership fund, component VI:Creation of a regional or sectoral export promotion service. (B) TB: 195073, June 27, 2000

Appendix 4 (cont'd)
Summary Evaluation Grid

Evaluation themes and questions	*Indicators*	*Methodology*
	C. Assistance with the search for human and financial resources in terms of... • job creation, investment in market prospection, etc. **D. Marketing co-operation:** • missions, search for partners and distribution networks, etc. vs • Number of exporters (new, diversifying, consolidating) helped to enter new markets • Number and type of results achieved (technology transfers, go-betweens recruited, industrial agreements, etc.) • % increase in export sales	
Must SMEs make use of other organizations or resources to satisfy their needs?	➢ Number and type of organizations solicited to obtain similar or different products/services	
(B) Satisfaction with products/services How well did the products/services available or provided match client needs?	➢ Clients' needs and expectations according to their export development progress: 1. New exporter: 2. Diversifying exporter: 3. Consolidating exporter:	

Appendix 4 (cont'd)
Summary Evaluation Grid

Evaluation themes and questions	*Indicators*	*Methodology*
	• Type and number of needs expressed/products and services available or provided ➢ Stakeholders' needs and expectations • financial support • technical/administrative support • knowledge transfer, etc.	

APPENDIX 5

Financial Tables

Appendix 5
Financial Tables
Total ORPEX income and expenses
2000-2001

2001		Funds from government sources			Funds from other public sources				Funds from other public sources								Expenses	
	ORPEX name:	CED contribution	MDER/CRD contribution	Subtotal	Mun/CLD	Other regional	Other departments	Subtotal	Fees	Membership dues	Mandates/ activities/ missions	Sponsorships	Interest income	Other	Subtotal	Total income	Total Expenses	Net results
1	Bureau de promotion des exportations d'Abitibi-Témiscamingue	65.059	107.933	172.992	0	10.000	0	10.000	0	0	51.700	0	0	9.438	61.138	244.130	183.312	60.818
2	Chaudière-Appalaches Export	123.333	115.550	238.883	0	0	0	0	35.796	0	166.780	0	3.345	0	205.921	444.804	497.831	-53.027
3	Chambre de Commerce et de l'Industrie de l'Est de l'Île de Montréal	117.311	0	117.311	0	0	0	0	0	1.300	10.435	0	0	0	11.735	129.046	99.382	29.664
4	Club Export@ction (Service de soutien à l'exportation Haut-Richelieu)	97.717	0	97.717	10.640	0	5.280	15.920	0	0	19.312	0	0	560	19.872	133.509	114.353	19.156
5	Club Export des Cantons-de-l'Est	69.345	0	69.345	46.534	0	0	46.534	24.040	7.350	4.923	250	187	0	36.750	152.629	142.933	9.696
6	CORPEX Côte-Nord	35.150	100.000	135.150	0	0	0	0	12.452	0	0	0	0	0	12.452	147.602	122.349	25.253
7	Corporation de développement international Centre-du-Québec	66.108	60.000	126.108	0	10.000	45.892	55.892	0	15.500	13.080	0	0	9.611	38.191	220.191	213.082	7.109
8	Corporation Mauricie International	36.539	130.000	166.539	104.000	40.000	106.074	250.074	43.525	0	0	0	0	8.604	52.129	468.742	391.394	77.348
9	CORPEX Bas-St-Laurent	66.507	102.500	169.007	0	0	2.423	2.423	0	0	68.639	0	1.173	0	69.812	241.242	229.843	11.399
10	Estrie International 2007	30.755	121.600	152.355	103.000	0	0	103.000	0	0	82.232	0	5.981	5.763	93.976	349.331	425.197	-75.866
11	Lanaudière International	0	96.898	96.898	0	0	0	0	0	0	119.155	0	901	0	120.056	216.954	218.936	-1.982
12	Laurentides International	15.808	134.000	149.808	0	0	43.085	43.085	38.866	0	55.117	0	2.539	0	96.522	289.415	294.213	-4.798
13	Laval Technopole	67.938	72.872	140.810	106.634	0	0	106.634	8.992	0	10.916	0	0	2.738	22.646	270.090	270.090	0
14	Montérégie International	0	143.378	143.378	0	0	0	0	0	0	0	0	565	0	565	143.943	123.906	20.037
15	Outaouais International	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16	SMMQIM (Gaspé)	103.000	95.000	198.000	0	0	0	0	147.086	0	98.485	0	1.638	0	245.209	443.209	378.087	65.122
17	SERDEX (Lac-St-Jean)	32.921	65.660	98.581	0	0	0	0	0	1.500	4.784	0	0	3.338	9.622	108.203	113.026	-4.823
18	Sery (Service d'exportation Richelieu-Yamaska)	166.010	0	166.010	49.655	0	0	49.655	10.392	0	103.023	2.135	0	3.809	119.359	335.024	345.112	-10.088
19	SDE Longueuil	158.058	0	158.058	141.129	0	4.501	145.629	0	0	62.420	15.150	0	65.299	142.869	446.556	390.643	55.913
20	Société de l'expansion des exportations du Suroît	92.069	0	92.069	18.500	11.720	0	30.220	0	1.050	5.526	3.300	0	0	9.876	132.165	126.487	5.678
21	Société de promotion économique du Québec métropolitain	428.587	0	428.587	0	0	0	0	0	0	0	0	0	0	0	428.587	428.587	0
22	WTC	1.259.988	0	1.259.988	0	0	0	0	0	0	686.077	0	4.260	305.285	1.195.622	2.455.610	2.416.969	38.641
	Total	3.032.203	1.345.391	4.377.594	580.091	71.720	207.255	859.066	321.149	26.700	1.760.604	20.835	20.589	414.445	2.564.322	7.800.982	7.525.732	275.250

2002		Funds from government sources			Funds from other public sources				Funds from other sources								Expenses	
	ORPEX name:	Contribution CED	MDER/CRD contribution	Subtotal	Mun/ CLD	Other regional	Other dept'l	Subtotal	Membership	Fee	Mandates /activities /missions	Sponsorships	Interest income	Other	Subtotal	Income	Total Expenses	Net results
					CLD	Regions/ Colleges												
1	Bureau de promotion des exportations d'Abitibi-Témiscamingue	245,314	165,500	410,814	10,000	0	2,245	12,245	0	0	103,106	3,078	0	39,075	145,258	568,317	507,204	61,114
2	Chaudière-Appalaches Export	172,369	150,000	322,369	0	0	0	0	39,771	0	60,472	0	9,432	0	109,675	432,044	412,582	19,462
3	Chambre de Commerce et de l'Industrie de l'Est de l'Île de Montréal	61,017	0	61,017	0	0	0	0	0	0	8,964	0	0	0	8,964	69,981	87,603	-17,622
4	Club Export@ction (Service de soutien à l'exportation Haut-Richelieu)	148,214	0	148,214	7,673	0	3,000	10,673	0	0	12,221	3,708	0	1,440	17,369	176,256	170,925	5,331
5	Club Export des Cantons-de-l'Est	124,281	0	124,281	56,531	0	0	56,531	37,208	6,600	2,806	750	370	0	47,734	228,546	223,764	4,782
6	CORPEX Côte-Nord	72,623	100,000	172,623	0	0	0	0	24,160	0	0	0	0	0	24,160	196,783	186,622	10,161
7	Corp. de dév. international Centre-du-Québec	101,433	60,000	161,433	0	0	60,000	60,000	0	9,750	124,607	0	0	0	134,357	355,790	350,841	4,949
8	Corporation Mauricie International	0	224,313	224,313	115,000	109,285	27,423	251,708	78,233	0	0	0	0	72,620	150,853	626,874	589,764	37,110
9	CORPEX Bas-St-Laurent	141,712	120,000	261,712	0	0	2,414	2,414	0	0	172,227	0	1,897	0	174,124	438,250	378,006	60,244
10	Estrie International 2007	87,346	120,000	207,346	126,247	0	0	126,247	0	0	122,197	0	4,966	124	127,287	460,880	474,973	-14,093
11	Lanaudière International	0	188,485	188,485	0	0	0	0	0	0	62,957	0	75	0	63,032	251,497	241,824	9,673
12	Laurentides International	3,339	146,527	149,866	0	0	49,669	49,669	75,937	0	51,696	0	3,557	20,000	151,190	350,725	358,147	-7,422
13	Laval Technopole	139,607	81,021	220,628	100,709	0	0	100,709	16,810	0	76,679	0	0	0	93,489	414,826	414,826	0
14	Montérégie International	0	232,912	232,912	48,725	0	0	48,725	0	0	0	0	827	0	827	282,464	261,194	21,270
15	Outaouais International	62,993	154,000	216,993	0	95,000	22,733	117,733	0	0	45,266	0	2,578	0	47,844	382,570	374,298	8,272
16	SMMGIM (Gaspé)	115,000	85,000	200,000	0	0	0	0	46,195	0	78,111	0	3	0	124,309	324,309	363,130	-38,821
17	SERDEX (Lac-St-Jean)	83,242	60,000	143,242	27,136	0	0	27,136	20,000	6,450	2,213	0	352	11,455	40,470	210,848	172,182	38,666
18	Sery (Service d'exportation Richelieu-Yamaska)	197,312	0	197,312	41,677	0	0	41,677	7,455	0	61,983	6,530	0	3,101	79,069	318,058	298,902	19,156
19	SDE Longueuil	199,682	0	199,682	150,430	0	11,692	162,122	0	0	33,717	22,500	0	8,028	64,245	426,049	402,688	23,361
20	Société de l'expansion des exportations du Suroît	129,778	0	129,778	24,000	1,053	4,615	29,668	0	1,500	3,740	3,050	0	0	8,290	167,736	164,292	3,444
21	Société de promotion économique du Québec métropolitain	380,582	0	380,582	0	0	0	0	0	0	0	0	0	0	0	380,582	380,582	0
22	WTC	1,295,988	0	1,295,988	0	0	0	0	0	0	684,013	0	6,123	300,000	990,136	2,286,124	2,350,423	-64,299
	Total	3,761,832	1,887,738	5,649,570	708,128	205,338	183,791	1,097,257	345,769	24,300	1,706,975	39,616	30,180	455,843	2,602,682	9,349,509	9,164,772	184,738

ACTION PLAN

Internal Evaluation Report on the ORPEX Evaluation Report

Information from the initial action plan			
Evaluation consultants' recommendations	**Management response**	**Anticipated completion date**	**Entity responsible**
1. Review the performance measurement framework and enhance ORPEX autonomy:	CED agrees.		
(A) The performance measurement framework needs to be reviewed and should henceforth contain only actual results.	(A) The performance measurement framework will be reviewed so as to integrate results follow-up.	March 2004	IIPB / Business offices / QITB
(B) These should also be distinguished from activities, which ought to be left for the ORPEXes, and their decision centres, to decide on.	(B) The results to be achieved will be set by CED and MDER in co-operation with regional offices and in accordance with a template containing common performance indicators.	March 2004	IIPB / Business offices / QITB
(C) Activity control to be done through annual work plans and activity reports, which must be accepted by Boards of Directors on which government managers would sit as observers.	(C) The ORPEX, in co-operation with CED and MDER regional offices, will determine the activities to be undertaken in its action plan in accordance with the objectives it has set itself and local clients' needs, within a defined range of activities.	Annual planning	IIPB / Business offices / QITB
(D) A necessary consequence of this would be the requirement for a regional review of exporting companies.	(D) A client file containing all information necessary to track changes in clientele and results achieved will be created by internal or external CED and MDER resources, in co-operation with ORPEXes, in order to generate a regional review and produce quarterly reports.	September 2004 March 2004	IIPB / Business offices / QITB

ACTION PLAN
Internal Evaluation Report on the ORPEX Evaluation Report

Information from the initial action plan			
Evaluation consultants' recommendations	**Management response**	**Anticipated completion date**	**Entity responsible**
2. **Define self-financing measures** ➢ Self-financing measures ought to be well defined and should pertain only to membership dues, consultation fees, the sale of publicity or other advertising materials and contributions to the overhead of the paying services. When regional authorities contribute (cities, MRCs, CRDs and CLDs), they should do so without distorting the ORPEX's mandate. ➢ When self-financing measures are thus defined, a suitable and realistic goal might be for local companies to make a contribution of between 10 and 15%.	CED agrees with the self-financing concept but disagrees with the suggested rate. • The current standard for self-financing (15 to 20%) as a proportion of total earnings will be maintained. • CED will come to an agreement with MDER on eligible sources of self-financing, such as: ➢ ORPEX membership dues; ➢ Consulting fees; ➢ Contributions for publicity investments, promotional materials and non-governmental sponsorships. • ORPEXes will have to clearly distinguish self-financing income in their annual reports.	N/A (in effect) March 2004 June 2005	Business offices IIPB / Business offices Business offices

ACTION PLAN
Internal Evaluation Report on the ORPEX Evaluation Report

Information from the initial action plan			
Evaluation consultants' recommendations	**Management response**	**Anticipated completion date**	**Entity responsible**
3. Centralize some activities			
➢ Trade missions to the World Bank (WB) and all international lenders (UN, WHO, etc), where these are deemed profitable, should continue to be centralized at the WTC. The same would be true of "reverse" trade missions, that is, missions to Quebec by buyers from those organizations.	• **Mission** CED agrees. Trade missions to the World Bank (WB) and all international lenders (UN, WHO, etc), where these are deemed profitable, should continue to be centralized at the WTC. CED disagrees, however, with the idea of centralizing "reverse" trade missions at the WTC.	April 2004	IIPB
➢ In view of the scope of its mandate, which covers all regions of Quebec, some more specialized courses should also be designed and administered by the WTC, even if the trainers have to travel to the regions at the request of a number of ORPEXes (should the individual demand be too low). This is all the more desirable in that ORPEXes should, in future, specialize more in services to new and potential exporters.	• **Training** CED agrees to continue its contributions to the financing of training content development agencies, though not specifically with the WTC. CED and MDER agree that ORPEXes should specialize in new and potential exporters (consolidation).	Annually	IIPB
➢ In any event, a way needs to be found of integrating the WTC and its specialized services into the services provided by the ORPEXes, making the best possible use of centrally located specialists but respecting regional characteristics.	• **WTC** CED agrees, and will encourage the WTC to co-operate with ORPEXes to integrate its specialized services with those provided by ORPEXes while satisfying regional needs.	September 2004	IIPB / Montreal Island Office

ACTION PLAN

Internal Evaluation Report on the ORPEX Evaluation Report

Information from the initial action plan			
Evaluation consultants' recommendations	**Management response**	**Anticipated completion date**	**Entity responsible**
4. Relate the Nomenclature of Activities to exporter types.			
➢ A guide should be prepared for ORPEXes so that a standardised nomenclature can be used for both services and exporter types and comparisons can therefore be made between the two.	• CED agrees with the concept of providing guidelines on the nomenclature. However, the idea of creating a guide is not favoured. CED will instead come to an agreement with MDER on distribution of a lexicon giving agreed terminology for activities and exporter types, and will distribute it to ORPEXes.	April 2004	IIPB / Business offices / QITB
➢ Similarly, without insisting on total consistency, ORPEXes' fiscal years should be aligned with governments'.	• CED will assess with MDER whether ORPEXes' fiscal years could be aligned with governments' and will ensure that clear and consistent data are gathered. MDER will urge ORPEXes to align their fiscal years with governments'.	March 2005	Business offices
➢ ORPEXes' rules should be clarified on the basis of these details by identifying the kinds of undertakings to be supported and the corresponding activities for each.	• CED agrees to release details of how it sees ORPEXes' roles.	March 2005	IIPB
➢ A joint working committee could therefore be set up and given the mandate of making the nomenclature of activities and exporter types consistent.	• CED agrees. The CED/MDER task force has been implemented.	N/A (Completed October 2003)	IIPB
➢ The committee could also look at accounting procedures for ORPEX operations and provide a few guidelines for the classification and accounting treatment of activities.	• CED agrees. CED will issue guidelines to ORPEXes, who will be required to table their reports on fixed dates.	June 2005	Business offices

ACTION PLAN
Internal Evaluation Report on the ORPEX Evaluation Report

Information from the initial action plan			
Evaluation consultants' recommendations	**Management response**	**Anticipated completion date**	**Entity responsible**
5. Study trade missions' economic and commercial impacts. ➢ Because many managers are questioning trade missions' usefulness and effectiveness, CED and MDER should sponsor a study on the economic and commercial impacts of trade missions, using a longitudinal approach (for example, over a period of 3 to 5 years) to identify the essential conditions for their success. This study would enable lenders to better justify their responses to ORPEX applications.	• CED agrees with the concept of measuring results of trade missions. However, conduct of a longitudinal study is not favoured. CED intends instead to implement a more rigorous performance measurement framework. This initiative, combined with creation of a client file, will enable the results of trade missions to be ascertained.	March 2004	IIPB / Business offices / QITB
6. Standardize report formats. ➢ Lenders should propose an annual report format to ORPEXes to standardize the gathering and interpretation of statistics on their activities. The report format should include a section on analysis of regional clienteles by exporter type.	• CED agrees. The CED/MDER task force will make recommendations to ORPEXes on standard quarterly and annual reports.	June 2004	IIPB / Business offices

ACTION PLAN
Internal Evaluation Report on the ORPEX Evaluation Report

Information from the initial action plan			
Evaluation consultants' recommendations	**Management response**	**Anticipated completion date**	**Entity responsible**
7. Encourage the conduct of training and information sessions.			
➢ Lenders should encourage the organization of training and information sessions for commissioners to help them keep their knowledge of export management practice up to date, discuss their experiences, and contribute to the design and implementation of government export strategies.	• CED agrees, and will promote, with MDER, the organization of training, skills development and networking activities for export professionals (commissions).	Annually	IIPB
➢ RECOMEX could host these sessions.	• CED does not agree. Training sessions will be developed with agencies having the greatest ability in the field.	N/A	IIPB